

43rd PARLIAMENT, 2nd SESSION

Standing Committee on Finance

EVIDENCE

NUMBER 033

Tuesday, April 13, 2021

Chair: The Honourable Wayne Easter

Standing Committee on Finance

Tuesday, April 13, 2021

• (1600)

[English]

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

Welcome to meeting number 33 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—

Mrs. Tamara Jansen (Cloverdale—Langley City, CPC): I have a point of order. My humble apologies for interrupting you.

Apparently Mr. Kelly's been trying to get in for 10 minutes, and somehow or other he's just not able to connect.

The Chair: We'll get the meeting started in any event, as we have quorum. Thanks for that, Tamara.

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, and it will cover only the person who is speaking rather than the entirety of the committee.

I'd remind all participants that, per House of Commons rules, people are not allowed to take screenshots. They're just not permitted. Also, I'd ask folks to abide by all health protocols and stay safe.

With that, we will turn to the witness list. As I said, we are a little tighter in this panel as we have only an hour and 15 minutes. Please hold your comments to about five minutes, and then we'll go to questions.

We'll start with BGC Canada. We have Josh Berman, director of research and public policy, and Chad Polito, executive director, BGC Dawson, Montreal.

Go ahead. The floor is yours.

Mr. Josh Berman (Director, Research and Public Policy, BGC Canada): Thank you.

Let me start by recognizing and thanking the federal government, MPs, and Canada's federal civil servants, for the critical and impor-

tant work you are doing to support people living in Canada through this pandemic. Thank you.

I'm proud to represent today, along with Chad, from whom you'll hear in just a moment, our 84 clubs, which together serve more than 200,000 children and youth at over 775 locations across Canada. As one of Canada's largest child- and youth-serving organizations, our early learning and child care and our before- and after-school programs help young people develop into healthy, active and engaged adults.

Over the past 100 years and during these last 13 difficult months, our clubs have been there for vulnerable children, youth and families. Today clubs are providing food for families, partnering with their local food banks. We provide safe child care and programs for children and youth, and help to share trusted information on COVID safety and vaccines with our members. We have rolled out safe and high-quality digital programs when kids can't be in clubs.

Chad and I want to focus our remarks today on four key take-aways.

First, while the emergency community support fund allowed clubs to further step forward in the early months of the pandemic to support our communities, the needs in our communities continue to outstrip our ability to fully respond. Importantly, as the demand for our programs and services rises, it means more dollars out the door, not in

Second, while the demand for our programs and services has risen, revenue has fallen. Our revenues across the country are down some \$20 million after taking into account federal and other emergency supports due to large reductions in earned incomes and philanthropy. Programs like the Canadian employment wage subsidy have been extremely important in helping charities like BGC protect staff positions in the face of declining revenues. The extension of this program to June is positive and we support broad calls for further extension as the pandemic drags on.

Lastly, frontline human service charities are still facing serious fiscal challenges that have not been addressed by government programs to date, and are severely limiting our shared capacity to deliver services to communities that have borne the brunt of COVID-19's impact. A continued response to this crisis demands more. This is why we have joined others and continue our call for a community services COVID relief fund in next week's budget. This fund would provide a temporary, 18-month operating funding program to bridge our frontline agencies to the other side of this pandemic and support a transformation fund to help community services invest in their capacity, technology, operating models and mergers in order to come out of this pandemic stronger and more resilient.

We thank you, members of this committee, for your pre-budget recommendation for bridge operating grants for essential community human services organizations. These are organizations like ours that are run by and for those who serve Black, indigenous and people of colour, and are proud members of our shared economy, one that employs, I should say, 315,000 people across Canada. BGC has supported vulnerable community members for over 100 years and done so while balancing our books. This proposed fund wouldn't make us whole but would allow us to continue to provide child care and after-school programs, run safe transitional housing programs and offer newcomer support, virtual counselling and shelters for people experiencing homelessness and women fleeing domestic violence.

With that, let me pass it to Chad.

• (1605)

Mr. Chad Polito (Executive Director, BGC Dawson, Montréal, BGC Canada): Thanks, Josh.

BGC Dawson is a community organization that has recently celebrated its 60th anniversary and serves over 800 families in the Montreal area.

The COVID-19 pandemic brought on some unique challenges for our community. Food security is one of our core programs. Prepandemic, we were serving 40 to 50 individuals per week through our food bank. At the height of the pandemic, this number skyrocketed to 941 people per month. While we are extremely grateful and thankful for the emergency community support fund, which enabled us to meet this need temporarily, we have more requests for food than we have resources. We had to make the difficult decision to scale back our food bank and are now serving just over 400 individuals each month, but the demand remains.

Summer camp, one of our key revenue-generating programs, was moved to a virtual format last summer and was offered free of charge. This significantly impacted our ability to meet our 2020 budget.

On top of that, our building is in desperate need of repair. This year, we invested over \$100,000 in building maintenance and still have to plan to replace a leaking roof and an original furnace in order to be able to keep our doors open.

Our club, like others across Canada, had to make the difficult decision to lay off some staff and reduce program offerings. Approximately 70% of our staff nationwide are women, and we know that

the services we provide allow mothers who so choose to enter and stay in the workforce.

Looking forward, we are committed to being there for our community and want to be in a strong position to adapt our programs to meet new realities. An article in the Financial Post on April 8 found that "the number of Canadians close to insolvency reached a five-year high", with 53% of those polled saying that "they are \$200 or less away from not being able to meet their bills and debt payments each month".

We know that a lot of the families we serve are struggling financially and are just barely hanging on. As we move through this pandemic, organizations like ours need to be able to offer vital programs and services to all who need them, as part of our commitment to long-term community care.

Thank you for the opportunity to be here today.

The Chair: Thank you very much, both of you.

I'm turning to Big Brothers Big Sisters of Canada, with Matthew Chater, national president and CEO, and Margie Grant-Walsh, executive director, from Pictou County, I believe.

Go ahead.

Mr. W. Matthew Chater (National President and Chief Executive Officer, Big Brothers Big Sisters of Canada): Thank you for the opportunity to be here. To echo my colleague, I would like to express significant thanks to all members for all you do daily on behalf of Canadians, during this pandemic as well as beyond.

Big Brothers Big Sisters has operated in Canada for over 100 years. We facilitate intentional mentoring relationships with over 41,000 youth in 1,100 communities with the support of over 21,000 volunteers.

Children and youth in our programs face toxic stress due to living with adversities caused by systemic challenges like poverty, mental illness, neglect, addiction and a range of other sources. According to our research, 63% of young people in Big Brothers Big Sisters programs experience three or more of these adversities while at the same time having only one, or often zero, developmental relationships. The pandemic has only amplified these stressors, making them more complex and deeply rooted.

Big Brothers Big Sisters mentoring is needed now more than ever. For example, calls to Kids Help Phone were up by 55% and through text by 61%, and 76% of the youth reaching out to them said they had no one else they felt it was safe to turn to.

Many of these callers are referred to Big Brothers Big Sisters, as we are ideally suited to help. We just completed research with York University and the University of Victoria that found that mental health issues like depression and anxiety during the pandemic are significantly lower among youth enrolled in Big Brothers Big Sisters programs, and that rates of depression and anxiety drop the more youth are engaged with their mentor. The challenge is that we already had 15,000 youth on our wait list before the pandemic, and now that list is growing daily.

This increased demand comes at the same time that revenue has plummeted, dropping by \$13 million in 2020, and we are projecting a further 30% drop in 2021, for a total shortfall of \$25 million across the federation.

While the government has provided additional funding to the Kids Help Phone, which we fully support, funding a crisis line without also assisting community services organizations to which those youth are referred is like funding the 911 emergency call service without providing the medical systems in order to respond.

We are extremely grateful for the programs the federal government has introduced, like the wage subsidy and the emergency community support fund. Without those our losses would be even greater, but there is now nowhere else to turn and much more that needs to be done.

We are not alone in this dilemma of increased demand for our services coinciding with the most severe financial crisis in our history. That is why Big Brothers Big Sisters, alongside the YMCA of Canada, the YWCA of Canada, BGC Canada, United Way-Centraide Canada, the National Association of Friendship Centres and many others providing frontline support have come together to appeal for a community services COVID-19 relief fund.

You have heard from my colleagues at previous meetings, and Josh has spoken to it today, but I will also lend my voice to plead with this committee to ask the finance minister to establish that funding in the April 19 budget. This is about whether your communities continue to have organizations like ours that provide the services governments do not. Youth mentoring through Big Brothers Big Sisters will be critical to Canada's economic, social and public health recovery.

To provide a local context, I'll turn it over to my colleague, Margie Grant-Walsh, executive director of Big Brothers Big Sisters of Pictou County, Nova Scotia.

• (1610)

Ms. Margie Grant-Walsh (Executive Director, Big Brothers Big Sisters of Pictou County, Big Brothers Big Sisters of Canada): Thank you, Matthew.

Think back to when you were nine. Who was important in your life? What would it be like without that person?

Our children and youth have been facing isolation, mental health challenges, food insecurity, affordable housing concerns and struggles with educational learning.

I can speak from my experience in northern Nova Scotia. Rural communities have been most affected. We have no public transportation, challenges switching to virtual mentoring, connectivity

issues, and in the recent report card on child and family poverty in Nova Scotia, we have the third-highest child poverty rate in Canada. One in four children live in poverty.

Demand for service has increased. We have seen an increase in requests for essentials like food and heat. What social service organizations can say they are in contact weekly with their families? We can

We're not only mentoring children facing adversities, but families as well, and they trust us. Staff have been overloaded, stressed, and working extremely hard to support our families, pivoting on a moment's notice on a tight budget. Top this off with the largest mass shooting in Canadian history.

Revenues have dropped substantially. Unlike many organizations, we fundraise a substantial part of our budget. At our agency, 69% is raised by special events alone. The drop in revenue in 2020 was 29%, over \$270,000. In my 34 years with Big Brothers Big Sisters, I have never seen a year like it.

We are blessed to live in Nova Scotia for our low COVID numbers, but that brings the challenges of people isolating themselves to prevent spread. The biggest challenge is the lack of contact from caring adults who are invested in their well-being. Think again to when you were nine, and how you would deal with a pandemic without your mentor.

Thank you for this opportunity.

• (1615)

The Chair: Thank you both, and thanks for what you do.

Turning to the Coalition Canada Basic Income and Barbara Boraks, please go ahead.

Ms. Barbara Boraks (Member, Coalition Canada Basic Income): Thank you, Mr. Chair.

I am pleased to present today on the topic of a basic income guarantee.

I would like to acknowledge MP Dzerowicz's private member's bill, Bill C-273 and MP Gazan's motion 46.

Mr. Chair, if a basic income support system had already been in place, a more effective mechanism would have been available for responding to the financial needs of people affected by COVID-19.

I will begin with a summary of the benefits of a guaranteed basic income. It will help people meet their basic needs. It will improve physical and mental health outcomes. It will provide a more effective way of supporting seasonal and gig workers. It can help transition jobs from, for example, fossil fuels to renewables.

Basic income is an effective income support partner to a streamlined employment insurance program. For people living in poverty, this program gives them back their dignity and personal empowerment.

In recent decades, basic income has been supported by representatives from all parties in Canada. For example, all provincial political parties in P.E.I. unanimously support a basic income implementation project and are asking the federal government to work with them.

I have been working with basic income advocates for more than six years and have heard various concerns about a basic income. These fall into three groups: misconceptions about the details of basic income, attachment to the status quo and skepticism about changing our current systems of income support.

There are several misconceptions about basic income. Most Canadian advocates are seeking an income-targeted, not meanstested, basic income delivered to people living on low incomes. This replaces certain transfers and works in tandem with employment insurance and social support programs.

The latest PBO report estimates that basic income will lead to a substantial reduction to the poverty rate at a gross cost of \$85 billion in the first year and a net cost of near zero after accounting for specific tax credits. The PBO report does not include the downstream savings a basic income could create in sectors such as health care and criminal justice.

On the second concern, attachment to the status quo, we can only hope that arises from a belief in the efficacy of the current system and not from personal or professional vested interests.

To the third concern, skepticism, I say that I respect this stance. In the face of major changes, this belief contributes to good governance when accompanied by openness to evidence-based new practices.

Mr. Chair, issues of cost are primary to your work and, for the question of a basic income guarantee, the evidence indicates that the benefits to Canada are worth the cost. Our current mechanisms of income supports are outdated, overly complicated and expensive.

The current income support system prevents low-income Canadians from developing financial independence, reduces financial incentives to work, contributes to poor educational outcomes and also adds to health care costs. As well, the evidence indicates that the existing system contributes to people remaining in abusive situations, weakens our arts and cultural industry and hinders capacity building in our farming communities.

I can make these statements because evidence supports them. Mental health problems, physical health problems and food and security are all tied to low income. The overrepresentation at all stages of the criminal justice system of indigenous peoples and

those of African ancestry reflects their overrepresentation among impoverished people.

The evidence of these effects of low income and poverty come from institutions such as the National Farmers Union, the Canadian Public Health Association, the Canadian Association of Social Workers, Ontario Dietitians in Public Health, CUPE PEI and the Service Employees International Union, together with other labour unions, the Elizabeth Fry Society, social planning and research councils, municipalities and many more. These institutions support a basic income.

Mr. Chair, I am asking that FINA study the evidence about basic income in order to understand its financial and social implications with the goal of implementation.

(1620)

I believe the evidence will lead this committee to recognize that a guaranteed basic income will give Canadians better value for their tax dollars and a more resilient society going forward.

Thank you, Mr. Chair.

The Chair: Thank you very much, Barbara.

Before I go to our next witness, the first questions will be placed by Ms. Jansen and then Ms. Dzerowicz, Mr. Ste-Marie, and Mr. Johns. I don't believe we have Kelly here yet; hopefully we can get him.

I'll turn to Festivals and Major Events Canada and Mr. Martin Roy, executive director.

Welcome back, Martin, The floor is yours.

Mr. Martin Roy (Executive Director, Festivals and Major Events Canada): Thank you, Mr. Chair.

[Translation]

Good morning, members of the Standing Committee on Finance.

It's a pleasure to be here again.

Festivals and Major Events Canada, or FAME, and the Major International Events Network, or RÉMI, represent more than 500 festivals and events in Canada that are direct and affiliate members in the tourism and cultural industry sector. This sector alone contributes more than \$1 billion to the country's GDP, year after year.

In September, FAME was at the Chateau Laurier alongside the Tourism Industry Association of Canada, the Hotel Association of Canada and the Indigenous Tourism Association of Canada to launch the Coalition of Hardest Hit Businesses.

On the coalition's website, which I invite you to check out at hardesthit.ca, there are now more than 100 business and association logos of all kinds, primarily from the two sectors where FAME acts as a bridge, tourism and culture.

In the fall, following the press conference, we were heard by the Canadian government. We were pleased to see our reality recognized in the Speech from the Throne and the fall economic statement. The Canada emergency wage subsidy, or CEWS, rate was subsequently increased.

For all of this, we are very grateful to the government.

On the other hand, faced with the prospect of a possible end to the wage subsidy in June, the coalition had to formally appeal to the government three weeks ago at a press conference.

We asked the Minister of Finance to use the budget to extend and improve the CEWS and the Canada emergency rent subsidy beyond the June 5 deadline, to the end of 2021.

We understand that these programs are costly to taxpayers, but we caution elected officials who would want to end them too soon or opt for declining assistance.

If choices must be made, we believe that instead we should continue to support fewer businesses by making only those that continue to be most affected eligible for programs, in the tourism and cultural sectors, for example, where revenue losses can be as high as 100%.

If the CEWS is to end in June, it should only be to make way for the wage subsidy for the hardest hit businesses.

At a festival, although it varies from province to territory, self-generated revenue accounts for 85% of budgets, and government revenue accounts for about 15%. Right now, that 15% is often the only revenue our organizations have, both to organize activities for communities between now and the end of this pandemic, and to pay fixed costs and salaries. Without the CEWS, we are not there. Organizations will close down or have to let go of key staff who will be out of work. Then we will be no further ahead.

While they are still hopeful of hosting festivals and events this summer, organizations will not return to their often high-traffic business models until 2022, after the third wave of the COVID-19 pandemic and the expected effect of vaccines, even if it is done in compliance with health regulations that will hopefully be eased. That means that festivals and events have only crossed half the desert at this point.

We are told every day that the pandemic is not over. Canadians are being told not to give up until we get to the finish line and our businesses are still being asked to make huge sacrifices. We are saying to the government: "Fine, but don't give up on us until we get to the end of this, either." It's a pact or a deal that has to go both ways.

If governments maintain restrictions, they must also maintain support for the businesses that suffer the most, like ours.

It would be a shame to lose festivals and cultural and tourism institutions in general because we will not have been willing to pay six more months of wage subsidies, when we will have done so for over a year. We will need it more than ever after the pandemic to boost the economy and tourism and to provide social healing. We'll also need it to finally get together and party like we did before the pandemic.

We will, of course, be listening carefully to the budget announcement next week, hoping that your recommendation, recommendation 55 in your pre-budget consultation report, will be taken up in full, particularly because it incorporates our idea of a festivals and events recovery program. We will also be mindful of this because your report recommended that the government support the cultural, tourism and hospitality sectors by "providing additional financial support to these sectors until the COVID-19-related restrictions can be safely lifted."

We won't go so far as to say that the budget announcement will be the moment when we can gather 90,000 people on the Plains of Abraham in Quebec City or at the Calgary Stampede. You will agree with me that this moment could happen in July 2022, but certainly not on June 5, 2021.

Thank you for your attention.

● (1625)

[English]

The Chair: Thank you very much, Martin.

We'll go to the first round. I'm going to hold the first round to five minutes per questioner. That way, we can get 10 rounds in during the panel.

We'll start with Ms. Jansen.

Mrs. Tamara Jansen: Thank you very much.

My question is for Mr. Roy.

I come from Cloverdale—Langley City, and we have the Cloverdale Rodeo here in our downtown. I was chatting with the organizers there, and they mentioned that just missing last year cost them \$2 million in revenue. The spinoff amount for Surrey was \$30 million. I think of the Best Western Hotel that's on the corner right there. I think of all the fairs and markets, the small food trucks and so on, that have lost their ability to make money.

There are other things that the Cloverdale Rodeo does. They have Gone Country from Twins Cancer Fundraising. Up to now they've raised \$3.9 million. They can't do their event. Ride to Conquer Cancer can't do their event. The 10K and the 5K runs can't do their events. Conventions can't be held there. Concerts, trade shows, the famous Longhorn Saloon.... All of these incredible local initiatives that make our community what it is are completely off the table.

As you mentioned, I mentioned to the Cloverdale Rodeo that we don't see things opening until 2022 at the rate the vaccinations are rolling out right now, and the line went silent. He said that will be the end of many of these things that I just mentioned.

Could you possibly talk a bit more about that?

[Translation]

Mr. Martin Roy: Thank you for the question.

You've given a good description of this drama which affects us and the communities in which we are present. We have also experienced in Calgary what you experienced in your riding. In 2020, the business community was dismayed that the Stampede would not be held. We will see what happens in 2021.

It was the same with the Toronto International Film Festival, or TIFF, which normally has a huge economic impact. This was the case for Bluesfest in Ottawa, for the Montreal International Jazz Festival as well as for the Quebec City Summer Festival, which normally benefits merchants on Grande Allée in Quebec City. They have all been deprived of this revenue.

It's not just our festivals and events that are impacted economically; the communities as well as the tourism industry, which is part of this ecosystem, are also impacted. That is why we have recommended the creation of a tourism industry stimulus program that builds on festivals and events. It's a program based on a 2009 and 2010 initiative, the marquee tourism events program. We made this proposal, and the committee recently included it in this recommendation 55. We very much hope that in next week's budget, the government will have good news for us.

With respect to revenues in the coming year, own-source revenues are not likely to be there, or certainly not to the same extent as usual. A question mark remains over the Canada emergency wage subsidy. We hope it will be extended.

This program would supplement our revenues and get us through the second half of the desert, as I call it.

• (1630)

[English]

Mrs. Tamara Jansen: Can I ask you, have you been looking at what sorts of criteria you think could possibly help us reopen? Could we get some certainty about what we would need to see in order to begin to open again? I was chatting with someone from a big marketing company, and they were saying, if you would combine the vaccination level with the immunity as well as masking and all that sort of thing, and if we could get some criteria by which we could decide whether we could open, that would give us the ability to start planning.

Have you talked about anything like that? It seems like right now we have absolutely no plan whatsoever.

The Chair: Mr. Roy.

[Translation]

Mr. Martin Roy: There is indeed no plan, which I deplore.

We are confident that we will be able to host safe events across Canada this summer. Obviously, they won't be events with the same amount of traffic, but we think we can do some things. There are a variety of options, whether it's rapid testing, vaccine passports or physically distancing festival-goers. There are ways to provide distancing between festival-goers, for example, with barriers, fences, platforms or chairs.

The problem we have in the provinces—I'm experiencing this particularly in Quebec as I've had discussions about this with public health officials—is that they are currently managing the third wave. They are following the order of the schedule, which is a problem.

[English]

Mrs. Tamara Jansen: Can I ask one more question?

The Chair: You are out of time, but we'll give you it. Go ahead. Be very quick.

Mrs. Tamara Jansen: Has anyone thought of suing the government for damages for being so late, for screwing up this vaccination rollout?

The Chair: Maybe we shouldn't have given you it.

Mrs. Tamara Jansen: Oh, oh!

The Chair: Is anybody going to answer that question?

I don't hear any answers.

We'll turn to Ms. Dzerowicz, followed by Mr. Ste-Marie.

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

I want to thank everyone for their excellent and very thoughtful presentations. Thank you for being here today.

I will direct my questions to Ms. Boraks from Coalition Canada Basic Income.

I have three questions, so I hope you can be as succinct as you can. First, whenever someone talks about some sort of guaranteed basic income, many people believe it would serve as a disincentive for people to work. How would you respond to this?

Ms. Barbara Boraks: There is no evidence to support that statement. Actually, on the contrary, the research that has taken place both in Canada and internationally indicates that, generally speaking, there are two categories of people who remove themselves from work. The first is women who choose to stay home with young children. The second is people going back to upgrade their skills, either going back to school or getting different kinds of skills so that they can get better jobs.

I would emphasize that we have not come across any evidence to support the claim that people go on basic income just to stay home and do nothing.

Ms. Julie Dzerowicz: Thank you very much for that.

The other thing that tends to come up is that this would be very expensive, and that it would be too expensive for any national government to support. How would you respond to that?

Ms. Barbara Boraks: If you look at the PBO numbers, they come in at about \$85 billion. The previous one said \$80 billion. Again, that's looking at 75% of the poverty level.

There are many ways to finance that. You can look at the tax credits, as the PBO did. That comes out to net zero. Basically, it is a net cost of zero to implement the program. You can look at incorporating the current costs that the government spends on social support programs and income support programs, which is about \$45 billion. You're bringing it down to \$45 billion. You could also take off about another \$20 billion, which is income supports that provinces utilize. That brings you down to about \$20 billion. That is the same amount that the government is spending on the child benefit, and we know how that has raised children out of poverty. Raising taxes is not something that we think needs to be looked at.

The question it comes down to is whether this program is worth it.

• (1635)

Ms. Julie Dzerowicz: Just to clarify, Ms. Boraks, I think the PBO report basically took the Ontario model and sort of applied it across Canada under a number of assumptions. Is that correct?

Ms. Barbara Boraks: That's correct.

Ms. Julie Dzerowicz: There are a number of different definitions of a guaranteed basic income program. It could be a floor, as former senator Hugh Segal has suggested. It could be a "mincome"—a model that's based on something Manitoba did. There are any number of different ways to create a guaranteed basic income program across Canada. Is that right?

Ms. Barbara Boraks: That's correct.

Ms. Julie Dzerowicz: Finally, some members of the disabled community are a bit nervous about the implementation of a guaranteed basic income. My personal principle is that no guaranteed basic income program should ever be put into place unless every participant is better off. How would you respond to those in the disabled community who might be a bit nervous about some sort of guaranteed basic income program going into effect?

Ms. Barbara Boraks: We strongly support the statement that anyone going into basic income should not be worse off. As a matter of fact, in the research done on the one-year Ontario basic program, which was at 75% of the poverty level, everyone stated that they were better off because of it. If and when, hopefully, the government goes into negotiations to start developing a basic income, these negotiations should be done together with groups that represent disabled individuals.

Ms. Julie Dzerowicz: Thank you very much.

The youth in Davenport, and in fact the many youth we heard from over the weekend at the LPC conference, very much support a guaranteed basic income. My understanding is that they feel that the world of work is changing quickly. Automation and AI are eliminating both blue-collar and white-collar jobs. There's much more of an unpredictable future around jobs. They're losing confidence that they'll ever be able to get ahead the way their parents

did. They see something like a guaranteed basic income model as a way that will provide them with some stability as they try to make their way through the world.

Would you agree that this is a sentiment from our youth and that a guaranteed basic income program would provide that stability?

Ms. Barbara Boraks: Yes. We have a very large youth network across Canada, but that's a sentiment that applies not just to youth but to any sector of precarious work. Arts is another one, actually. There is very strong support for basic income from the arts community.

Ms. Julie Dzerowicz: Thank you.

My last question is for Festivals and Major Events Canada and Martin Roy.

At the beginning of March, Minister Guilbeault announced \$181.5 million to support arts and live event workers in response to COVID-19. Has this funding in any way been helpful to the Festivals and Major Events Canada sector?

[Translation]

Mr. Martin Roy: At this point, it is still a bit too early to determine exactly how much festivals and events have benefited or will benefit. The \$181.5 million does indeed seem like a lot of money, but it should benefit all the players in the cultural field, and God knows there are many. It's not just festivals and events.

In the previous announcement in early 2020, \$500 million was given to the culture field. People were telling us we should be happy, but at the end of the day, of that \$500 million, only \$10 or \$12 million went to festivals and events. If it's proportional, it certainly won't be enough.

Ms. Julie Dzerowicz: Thank you.

[English]

The Chair: Thank you, all.

We'll go to Mr. Ste-Marie, followed by Mr. Johns and then Mr. Kelly.

Gabriel.

[Translation]

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

I would first like to inform you that in the second round, I may yield my seat to Ms. Elizabeth May, if she wishes to take it and if there is time. I see that Ms. May is nodding. That's fine.

I would like to welcome all the guests and thank them for their presentations. Again, this is very interesting.

I will address you first, Mr. Roy.

Tell us how major cultural events act as a lever in the economy, not only for the cultural sector, but also, as you mentioned, for the entire tourism and hospitality industry.

(1640)

Mr. Martin Roy: Thank you, Mr. Ste-Marie.

I think your question is very much related to the question that your colleague from British Columbia asked earlier. Serious studies that we've done, including with KPMG, prove that every dollar spent by festival-goers gets distributed. Some of it goes to festivals and events, particularly those that have a ticketing system, but it is not the primary expenditure of festival-goers. For every dollar spent, about a quarter goes to hotels and a third goes to food.

When you add this up, it's clear that it's not the festivals and events that benefit directly, but the surrounding communities and the entire ecosystem that surrounds the festivals and events. This is also why we think we can play a role as a lever. I like that expression you used. The idea is to capitalize on festivals and events. This will get "centred" tourists to go to the events and spend, especially on transportation, but also on lodging and dining.

Mr. Gabriel Ste-Marie: You were talking about the Quebec City Summer Festival and its impact on the businesses in this city, especially on Grande Allée. We are very much looking forward to the return of that festival.

On this topic, you mentioned the pact between your organizations and the government. Could you tell us again what that pact is about?

Mr. Martin Roy: We believe that we need to support those businesses that were hardest hit during the pandemic until they no longer need that support. We will again be forced, for a second year in a row, to not perform as we would like to and as we used to. So we need to have compensation.

As I was also saying, if the Canada emergency wage subsidy is going to end on June 5, 2021, it certainly won't be in the best interest of the tourism and cultural players, and certainly not in the best interest of the festivals and events, which won't be back to their normal revenue levels until next year.

As the government and the committee have said, support must be offered until we get across the river or weather this storm. This storm is not over. So we are calling for extended support, until the end of 2021, especially for those businesses that are hardest hit. I'm not talking about all businesses, but those that have lost 80% or 75% of their revenues. Those are the ones we need to think about.

Mr. Gabriel Ste-Marie: Thank you. We should also not forget the importance of predictability.

My next question is for Ms. Boraks.

Ms. Boraks, some time ago, on the subject of a guaranteed minimum income, which is universal income, Minister Hussen stated in the House of Commons that the government would rather provide financial assistance to those who need it rather than to everyone.

What would you say to him, in a minute and a few seconds?

[English]

Ms. Barbara Boraks: Basic income advocates in Canada support an income-targeted basic income, which goes to people who most need it. We do not support giving it to everybody.

[Translation]

Mr. Gabriel Ste-Marie: That is a clear answer. Thank you.

I have no further questions, Mr. Chair.

[English]

The Chair: Thank you, Gabriel.

We'll turn to Mr. Johns for five minutes.

Go ahead, Gord.

Mr. Gord Johns (Courtenay—Alberni, NDP): Thanks very much, Mr. Chair.

Thank you to all of the witnesses for the really important work you're doing for Canadians, especially during these difficult times.

I'm going to start with Mr. Polito.

I really appreciate your talking about food security. In my riding, many of the organizations benefited greatly from the emergency food security fund that came out at the beginning of the pandemic, and also the second round that came during the second wave. Now we're in the third wave and they haven't gotten a top-up. They are literally shutting down the program. The Bread of Life in my riding, the local Salvation Army and Lush Valley all relied on this funding for their warming centres and for food distribution to the most marginalized—their client base—which has grown significantly because of the pandemic.

Could you talk about how important it is that we get a third round out to these community organizations?

• (1645)

Mr. Chad Polito: Food security is one of the major issues that has been brought on by the pandemic. Our organization recently received another grant from Second Harvest that was sponsored by Agri-Food Canada to help bridge the gap. We just received that news yesterday. Without these funds, we wouldn't be able to respond to all the needs that are coming through our doors.

There are more needs coming in than we're able to respond to, but we're doing our best to provide what we can to our community for these needs. Another wave of funding would be of great benefit to organizations across Canada that are doing this frontline work.

Mr. Gord Johns: Thank you.

Ms. Boraks, I'm really appreciating that you talked about the universal basic income and how important it is. We just got a report, "Building Regional Prosperity in the Alberni Clayoquot Region". It's part of our poverty reduction plan. In that area of our riding, 27% of people are making a choice of whether they're going to pay their rent, buy food or pay for their hydro. They're not able to do all three. That's completely unacceptable in a country like ours.

Can you talk about how important a universal basic income is to address the concerns of those community members?

Ms. Barbara Boraks: It's impossible to overstate how important that is. Lack of income leads to so much mental and physical hardship—that's mental and physical damage to their health.

I just want to focus on food insecurity alone for a moment. In 2017-18, 4.4 million people in Canada were living in food insecure households. This is not limited to just people on social support. Sixty percent of households on social support are food insecure, but 65% of households that are food insecure are actually in wage labour.

The stress that this creates for people.... There is actually a new study out of the States showing how poverty is affecting the development of brains in children and infants. We know what the long-term repercussions are when you're food insecure at that age. We have the evidence of the damage it does—not just to a person's soul, but to a person's brain—to live with that constant stress of how to pay the bills and how to eat.

Mr. Gord Johns: I really appreciate your citing the importance of that for our emotional and spiritual health, as well.

The pandemic has clearly shown the extent to which persons with disabilities, seniors and people living with complex mental health conditions have been largely neglected by government. One of the main focuses and promises of this government during the pandemic is to make sure no one in Canada has fallen through the cracks.

Do you believe that the government has done a good job making sure no one has fallen through the cracks? Can you also talk about the importance of CERB—now the CRB— and how those programs have helped people get through these times, but also about those who have been left out?

Ms. Barbara Boraks: You're asking a lot. I'll try to get this in in as short a time as possible.

One of the things we have learned from CERB is that governments can respond quickly. When governments need to, they can respond quickly.

What we have also learned through the CERB is that people have fallen through the cracks. The reason they have fallen through the cracks is that the CERB was based on a traditional employment insurance system, and that system was based on a very old-fashioned, 19th-century definition of work. Work is wage labour. The EI system had to put so many bandages on that to start dealing with gig labour and precarious labour, so what the CERB and COVID have indicated is something many people have known for a long time, that the current system of EI and income supports is broken.

The EI system needs to be simplified. It needs some other type of income support to work with it in order to take care of people who do not fall into any of the traditional categories that an EI would fulfill.

The Chair: Thank you both.

We will now turn to Pat Kelly, followed by Mr. Fraser.

Go ahead, Pat.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Thank you to all. It's good to finally be here.

Thank you to the IT team. I had a chain of strange events that prevented me from getting on to this call.

I would like to ask Mr. Roy to follow up almost where we left off when you were at the committee in December. Back then, you said that if we were going to save the summer 2021 festival and event season, a big chunk of the population would have to be vaccinated by this summer. Could you comment on the current state of vaccinations and what it means for this 2021 summer season?

• (1650)

[Translation]

Mr. Martin Roy: The problem is that we are in a state of uncertainty. On the one hand, Quebec Premier François Legault says all Quebeckers who want the vaccine will be able to receive a first dose by June 24. On the other hand, Trudeau says all Canadians who want the vaccine will receive it by the end of September. That should give us the opportunity to hold events safely in July or early August. However, this is not certain.

We are trying to get information from the various public health branches so that we can have more predictability and make decisions, but we are in the dark.

There's also this third wave that's starting, and we don't know how long it will last.

This brings me back to the fact that there are solutions and we need to explore them. One of the things that comes to mind is the vaccine passport. It's not true that a piece of paper that looks like a coat check coupon will allow people to travel and get the benefits that are reserved for people who are vaccinated.

[English]

Mr. Pat Kelly: That's just it. With all due respect to the comments of Premier Legault, it is the federal government that is trying to procure vaccines and has done an inadequate job if we're going to get to everybody. It takes two doses to vaccinate, and I don't see how.... I would love to see everybody in Quebec and indeed the rest of Canada get their two doses by June and have a summer festival season, but there doesn't appear to be any chance that we're going to get the two doses for everybody who wants to be fully immunized.

In the meantime, you spoke of maximizing the use of all the tools available. In your last visit, we talked a little about rapid results tests and the proper deployment of them. You said that if they were to become widely available, they could be used to help not only festivals and events, but restaurants and other recreational activities to take place. What's been the progress since your December appearance on rapid results tests?

[Translation]

Mr. Martin Roy: There has not been much progress because there is not a lot of interest from provincial governments and the federal government in using rapid tests in this context. We have been approached by rapid test providers and we are at the outset very supportive of this solution. However, if we don't have discussions with government and public health officials, we won't be allowed to receive more people.

We don't see the point of going out and buying rapid tests if, at the end of the process, we can only accommodate 100, 125, or 250 people. The rapid tests should allow us to hold larger gatherings. But in order to have that opportunity, we need to talk with governments and provincial and municipal public health authorities.

[English]

The Chair: This will be the last question, Pat.

Mr. Pat Kelly: In response to my first question, you talked about making maximum use of all the tools available and said that the tools exist to help salvage some kind of a season this year.

Could you comment on what you think might be possible and whether or not any of these steps require action from the federal government? Here's a chance for giving further recommendations to the government.

[Translation]

Mr. Martin Roy: There needs to be some leadership when it comes to rapid tests, which we just talked about, and vaccine passports. Will the provinces really come up with different independent solutions in terms of the vaccine passports or does the Government of Canada need to assess this issue quickly?

Obviously, not all of us will be vaccinated by September or will have received both doses. However, once we receive the first dose, we'll have some protection and our health care system won't be under the same pressure. We may then be able to resume a number of activities as early as June or July.

For example, perhaps we could reserve part of a field or park for a group of people who have been vaccinated and we could accommodate a large number of those people. Another part of the field could be reserved for a smaller group of people and there would be more control over safety measures. We must be part of these types of discussions, especially when it comes to a real consideration of the vaccine passport.

I read that there have been discussions and decisions regarding this issue in Great Britain. There have also been discussions about the vaccine passport in Denmark and in several other countries. In Canada, we must consider the same issues as these countries. • (1655)

[English]

The Chair: Thank you, all.

We will turn to Mr. Fraser, who is splitting his time with Peter, followed by Ms. May.

Go ahead, Sean.

Mr. Sean Fraser (Central Nova, Lib.): Thank you very much, Mr. Chair.

I will direct my questions to Margie Grant-Walsh, from Big Brothers Big Sisters, who happens to be just down the road from me here, in Pictou County, Nova Scotia.

The testimony from you and your colleague focused, in part, on the stressors that have been exacerbated by the pandemic for young people in our community. I would hazard to guess that we have talked to some of the same young people.

I remember, in the early days of the pandemic, there was a lot of fear about what this public health emergency might mean. Over the course of the year, people became robbed of their community activities or sports teams at school, their proms, seeing their friends, or experiences in the classroom. You're absolutely right to point out how much this has impacted the mental health and well-being of young people.

We put support towards the Kids Help Phone, I think in late March of last year, because we saw a serious surge in the need for mental health supports for young people.

One of the things I hear about, whenever we talk about telehealth or virtual health, is reservations from the public when they hear about 1-800 lines or seeing somebody through a screen when they may need access to a person. Certainly there are people who will need that in-person care for their mental health supports.

I'm curious, from your experience, whether you can highlight whether these investments in the Kids Help Phone or other similar services can help an organization like yours connect with people in real life?

Ms. Margie Grant-Walsh: Thanks, Mr. Fraser.

Actually, they really can. The investments that go toward, for example, the Kids Help Phone have certainly impacted local organizations right across the country. What tends to happen when they get a call is that they then refer to a local agency.

You commented particularly on the increase of isolation and mental health issues. As a matter of fact, we're finding that these kids who have been isolated, particularly in rural areas, really require that intentional mentorship in their lives. Without it, they're really lost.

Here in Pictou County I can comment from my experience. We have no public transportation. There are also connectivity issues in some of the outlying areas. Many of our clients don't have access to mobile devices, whether it's a tablet or a telephone, so of course being able to connect with their mentors has been very difficult.

The other thing we've been seeing, too, is in our schools. Of course, when the pandemic first started, many of the schools were very uncomfortable—we all were, really—not knowing what to expect and how this was going to lay out. Schools were very hesitant at first to let us in. In Pictou County, we are in 19 schools. Multiply that by the 102 agencies in the country. Many of those kids have not had access to their mentors.

We know that 42% of youths said their mentor helped them feel less isolated during the pandemic. We know that 70% of youths who had regular contact with their mentor said it helped them feel less worried or anxious, and 44% of youths engaged with Big Brothers Big Sisters of Canada reported feelings of depression versus 51% among other youths. We know that having a caring adult in a child's or youth's life really makes a difference.

People sometimes tend to think of us as the "fluffy" organization, but we know that every dollar that is spent toward mentorship programs is reinvested back into the community at 23:1. It's very important.

(1700)

The Chair: Thank you both.

I'll give one question to you, Mr. Fragiskatos.

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

My question will be for Mr. Chater, who I know has London ties. If there is any remaining time, Mr. Chair, it's the same question for Mr. Rerman

The COVID-19 emergency response programs have gone a long way for not-for-profit organizations. We've heard that at length at this committee. Of course, there are remaining gaps. When you're building the plane and flying it at the same time, there will be gaps.

From your perspective, again to begin with Mr. Chater, what is the most obvious gap that exists that the federal government can act on and deal with?

Mr. W. Matthew Chater: That's a great question. I appreciate it.

I'd say the most pressing issue would be the element of the shared proposal that we've sent in to government around transformation of the respective federations as well as the not-for-profit sector. This pandemic has certainly highlighted a number of challenges that we have within organizational structures: how we approach service delivery; how we collaborate and work together, recognizing the various values that we, as our collective organizations, have in community; and how we ensure that those dollars continue to go right to the front lines to be able to support the community.

In the proposal we put forward, we have a significant number of dollars, not only for the 18-month transition or bridge funding—that short-term, momentary support—but also for the support for vitality, so that as we navigate through the third wave and as we prepare to be a more resilient community and a resilient sector of community services organizations, we're prepared for that.

The Chair: Thank you, all.

I give two and a half minutes to Ms. May, followed by the same with Mr. Johns.

Elizabeth.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Thank you so much, Wayne, for the chance to ask questions of this really amazing panel.

As someone who still misses Pictou County, I find it really hard to move on, but I need to ask Barbara Boraks some more questions, if that's okay.

On the basic income side, I was fascinated by your reference to the employment insurance system being designed around a 19th-century version of the world of work. What I wanted to ask is whether the case for a basic income is bolstered if we look ahead a bit, instead of in the rear-view mirror, at what artificial intelligence is going to mean for the world of work. I've seen some advocates make a link between the importance of having some guaranteed livable income or basic income as we move into a very different economy. Not everybody is necessarily going to be working if they're replaced by, I don't want to say robots because it begins to sound too new-agey, but definitely with artificial intelligence. What is your reaction to that theory?

Thank you.

Ms. Barbara Boraks: The beauty of basic income is that it provides a mechanism whenever the nature of economies or jobs is changing.

The movement towards robots and AI is a particular example. Another extraordinary example is the prediction that green jobs are going to be growing at a huge rate in Canada. I think it was noted that one of the highest growth rates for jobs is going to be in Alberta

However, these jobs require a different skill set. How, then, do you transition jobs, for example, for people working in an oil-based economy into green jobs and a higher-skill set economy?

That's where basic income kicks in. It gives that buffer for individuals, economies and governments to allow people to retrain into different kinds of jobs. AI is one of them. Green jobs is another. Another area no one has really touched on in this discussion yet is how basic income can help build capacity in farms and in rural areas, because the EI system does not work for them.

• (1705

The Chair: Please be very quick, Elizabeth.

Ms. Elizabeth May: Very quickly, in terms of where you see the world of work moving, if basic income bolsters us through transitions, how quickly should we...? If we had had it in place before COVID, we obviously would have been better off than in trying all the band-aid programs.

I know that wasn't very quick. I'm sorry, Mr. Chair.

Ms. Barbara Boraks: For a quick answer, right now in Canada 37% of workers are precariously employed.

The Chair: Thank you, Barbara. You were quick at your end and Elizabeth wasn't, but that's dandy.

We're turning to Mr. Johns, followed by Mr. Falk.

Mr. Gord Johns: Thank you, Mr. Chair.

Mr. Roy, we know tourism is going to be the last major sector to recover from the pandemic. Consequently, really, it's the hardest-hit sector as well. Festivals and major events are a huge draw for a lot of communities. Certainly the Parksville Beach Festival in my riding is critical for drawing visitors to our area. We don't expect, even with vaccination, that we're going to see much international travel this summer.

You talked about the wage subsidy, the rent program and the need for a commitment from the federal government to have certainty that those programs are going to be extended to the end of the pandemic and to the end of the year, at bare minimum.

Can you also talk about the CEBA loan? It's at \$60,000 right now. The NDP is calling for it to be extended to \$80,000 and for the repayment date not just to be next year. That's going to be nearly impossible for any of these events and any of the businesses that rely on it. The NDP is calling for moving that repayment date farther out, to maybe 2025.

Can you speak about the importance of those supports to save your sector and any additional supports that might help you?

[Translation]

Mr. Martin Roy: The emergency loan, which amounts to \$40,000 or \$60,000, is certainly useful for very small festivals and events. However, events such as the Stratford Festival, the Montreal International Jazz Festival, the Quebec City summer festival and the Calgary Stampede have budgets of \$30 million, \$40 million, even \$75 million. So we won't get very far with \$60,000.

The issue is that these events have been running significant deficits over the past year. Some of these deficits are in the \$20 million range, I believe. The Stratford Festival, for example, had a deficit of over \$10 million. We're talking about millions of dollars. I don't think that the tens of thousands of dollars in the emergency account will make much of a difference, except for very small events.

[English]

Mr. Gord Johns: Do you think that it should be expanded and that there should be a credit portion to the HASCAP and to that relief funding that's being given to those larger festivals?

The Chair: Mr. Roy.

[Translation]

Mr. Martin Roy: I think that the most appropriate response is the one that we suggested. It's to create a program specifically for festivals and events. We hope that this will be included in next week's budget.

In the fall 2020 economic statement, the government acknowledged that it hadn't done enough for festivals and events and promised that the specific realities of festivals and events would be

taken into account soon. We understood that this would happen in the budget.

We hope that the budget will include this measure, which would be a lifesaver for festivals and events.

[English]

The Chair: Thank you, all.

We'll split about eight minutes between Mr. Falk and Ms. Koutrakis.

Ted.

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

To all the witnesses, thank you for your presentations here. It has been very interesting listening to the discussion—the questions as well as the comments.

I'd like to talk to Mr. Chater.

In my riding of Provencher, in Manitoba, a lot of parents are talking to me about how their kids feel. One evening I was returning phone calls and talked to one particular father. He said he was completely exasperated. He had a son. He said, "In his group of four of five people, do you know what they're talking about? They're talking about suicide. I am so concerned about where this is all heading."

I'm sure you're hearing a lot from your frontline people. What is the major concern you're hearing from the boys and girls clubs frontline workers, the folks who actually work with the youth in Canada?

● (1710)

Mr. W. Matthew Chater: I'd be able to speak from the perspective of Big Brothers Big Sisters, and I'd say they're seeing the same, listening to the voices of young people: that despair and not being able to see what the future looks like. Right now, there are so many young people, like many of us, who are just trying to figure out what life looks like beyond this pandemic. It's very challenging, particularly for youth, because the pathways that once existed might not exist in the future. Big Brothers Big Sisters and organizations such as BGC Canada and others really provide those opportunities for young people to see that future and how people are standing beside them and for them.

I'll go back to some of the data Margie shared around how young people are feeling in community, and making sure we continue to put those critical investments into frontline community services.

Mr. Ted Falk: Thank you for that answer.

Those are the kinds of things I'm hearing as well. I'm hearing it from the parents, but I'm also hearing it from the youth I talk to. They're looking at their future and they keep asking, "Is my future going to be a future of masks and restrictions and not seeing my friends, not being able to travel and not being able to do this?" As a politician, I'm telling these people, "Well, you know what? It will change," but what they're looking for is a plan.

Could you make any suggestions? In the absence of a plan coming from the government, what would you suggest going forward?

Mr. W. Matthew Chater: From the perspective of Big Brothers Big Sisters, we'd suggest continuing to invest in community support services, as we shared throughout the presentation, the supports for our community services organizations and programs such as the youth employment skills strategy, and expanding some of the funding there. We know it has happened and should happen in the future, to make sure organizations such as the community services organizations we're collectively representing, as well as Big Brothers Big Sisters, are able to maintain services in community.

The Chair: Thank you, both.

Ms. Koutrakis, you'll have to wrap it up with your questions.

Ms. Annie Koutrakis (Vimy, Lib.): Thank you, Mr. Chair.

A lot has been said here by our colleagues on the Conservative side, especially where the rollout of vaccines and rapid testing is concerned. It's worthwhile correcting the numbers and to share them with our witnesses here today and with Canadians who are watching.

We've heard our Prime Minister say time and time again that we've really ramped up our purchasing, that vaccines are being received and that any Canadian who wants to be vaccinated will have the opportunity to do so by the end of September. About 8.1 million vaccine doses have been administered to Canadians, and we've delivered more than 10.5 million doses to the provinces and territories.

I know Ms. Jansen finds this funny. I'm really glad I'm offering some comic relief, but this is a serious issue.

In terms of rapid tests, almost 42 million have been shipped to the provinces and territories. Of those 42 million rapid tests, only 9.7 million have been deployed, per an article from the National Post, but if you go to canada.ca you'll see that 10.5 million have been deployed.

You'll also note on that site—which is great, and I invite every-body to check it—that some provinces are doing better than others. For instance, for my own province of Quebec, we've shipped 4.8 million rapid tests, and almost 1.9 million have been deployed and administered. If I look at British Columbia, where my colleague Ms. Jansen is from, almost 2.8 million have been shipped but only 357,000 have been deployed. One has to take a step back and wonder why.

The government is doing everything it can to make sure we have the tools needed to come out of the COVID pandemic safely and reopen our economy. We're doing everything possible and more, and Canadians know that.

My question is for anyone, but maybe specifically for Mr. Roy.

What do you think the current barriers are to the use of rapid tests by businesses? Is there a role the federal government can play in supporting the provinces and their rollout of these tests? What do you think the delay is?

• (1715)

The Chair: Mr. Roy.

[Translation]

Mr. Martin Roy: The Government of Canada can certainly provide instructions or guidelines to the provinces or to the various public health agencies across Canada and encourage them to recognize that rapid testing is an option that should be considered to allow shows and festivals to resume. I'm not an epidemiologist. I work with festivals and events. It isn't my place to determine this. However, it's fair to ask whether rapid testing could be used in a show setting so that we can get back to business.

Recently, a test concert was scheduled to take place in Ottawa with the Bluesfest organizers. The plan was for people attending the show on Saturday evening to stop by the pharmacy for a rapid test between Thursday at 3 p.m. and Saturday at 3 p.m. Unfortunately, the area went into a red zone and the test concert was cancelled.

Could this option be explored further by holding test concerts across Canada?

Can we tie in the idea of rapid testing with public health guidelines so that testing is taken into account in the process of welcoming festival goers or audience members? This issue must be considered.

[English]

Ms. Annie Koutrakis: Mr. Chair, I think I have time for a quick question.

If we were to step into provincial territory, the number one thing that would be said to us right away is, "Ah, you cannot touch public health; it's provincial jurisdiction."

If the federal government took a position, stepped in and took over the deployment of rapid tests, what would you say to those who say we're overstepping our boundaries?

The Chair: We'll need a very quick answer because we have to go to the next panel.

Who wants to take it?

Mr. Roy.

[Translation]

Mr. Martin Roy: In my opinion, we're no longer dealing with jurisdictional issues, whether the issues are federal or provincial. Right now, we need to solve problems and focus on the recovery of the various economic sectors, including tourism. We need everyone to reach an agreement.

[English]

Mr. Josh Berman: Chair, could I have 10 seconds?

The Chair: Go ahead, Mr. Berman.

Mr. Josh Berman: I just want to say that much like the government transitioning individuals from the CERB to the CRB, it's an acknowledgement of the longer-term nature of the pandemic. An investment that recognizes the pandemic's impact on service providers is required so that we can continue to deliver services to vulnerable communities throughout this pandemic.

Thanks.

The Chair: Okay, and I think that is very good advice to end on, Mr. Berman.

It has been a very interesting panel. Your input about what you see happening on the ground is essential to the committee and to the government's ability to do its work. I want to sincerely thank you, on behalf of the committee, for all the work you do on the ground. I know that these days, you're in something like a constituency office here. You're dealing with individuals who come in the door in tears and don't know where to turn, so we want to thank you all for that and for all you do.

With that, we will suspend for about two minutes and bring on the next panel.

Thank you again, witnesses, for appearing. We'll suspend this meeting for two minutes.

• (1715) (Pause)_____

(1720)

The Chair: We'll reconvene the meeting for panel two.

As all the witnesses know, we are studying all aspects of COVID-19 spending and programs.

We'll immediately turn to witnesses.

We are a little tighter for time than normal on this panel due to another, later commitment for Parliament, so please keep your remarks to about five minutes.

We'll start with the Canadian Aquaculture Industry Alliance. Mr. Kennedy, president and CEO, the floor is yours.

Mr. Tim Kennedy (President and Chief Executive Officer, Canadian Aquaculture Industry Alliance): Thanks, Mr. Chair.

Hello, members of the committee. It's great to be here with you tonight, and I hope you're all doing well. I want to say, especially, thank you for your service to Canadians during this really difficult time.

I'd like to start by painting a COVID recovery vision for coastal Canada: coastal and indigenous communities thriving; new schools, new community centres and hospitals being built; young people returning; men and women equally represented in the workforce with a sense of purpose and excitement in their work and pride in their jobs; a sense of a future of great hope and opportunity; Canadian innovation and technology being sent around the world; and collaboration with other nations in an enterprise to be nothing but the best in sustainable seafood production.

Members of the committee, aquaculture can and must be a critical driver of this pride and renewal. The aquaculture or seafood-farming sector has a huge opportunity for sustainable growth in a post-COVID recovery. Canada has arguably the most marine capacity in the world, and growth in demand for seafood is among the highest for any food sector in the world, estimated at 7% to 9% per year by the FAO of the United Nations. Aquaculture is expected to produce over 60% of total global seafood by 2030, and production,

volume growth and jobs will largely come through aquaculture development.

The international High Level Panel for a Sustainable Ocean Economy, to which Canada is a signatory, says that marine-based aquaculture is the most significant solution for reducing carbon emissions in the global food system, and that for every \$1 invested in the sector, there's a \$10 payback in health, environmental and economic benefits.

The livelihoods of close to 25,000 Canadians depend on seafood farming, and the economic value of our sector is approximately \$5 billion. These are good, high-paying jobs, mostly full-time, in coastal and indigenous communities where there are few other opportunities. Hundreds of small businesses across Canada are supported by our sector.

The agri-food economic table recommendations from 2018 high-lighted our sector, arguing that we could double production by 2030 if the proper supports were put in place, but noted that "there are significant barriers to achieving this growth", including the fact that "there is not a strong economic development focus for this sector within the federal government". In fact, Canada has flatlined in aquaculture production for close to 20 years. We have lost over 50% of global market share to other countries, such as Norway, the U.K., Chile and Australia.

What has happened to this sector during COVID? The shellfish sector has been hard hit, as the majority of historical production went to the food service industry. The finfish sector—mainly salmon and trout—has a more even split between food service and retail. Retail demand for fresh fish has increased during this period, and we hope this trend will continue, as Canadians historically have not eaten the two servings of fish per week recommended by experts. However, overall demand has not returned to pre-COVID levels.

The agri-food economic table recognized that there is little economic focus on the aquaculture sector in the federal system. We're an amalgam of fishing and farming, and because of this, we fall through the cracks and do not have a department that champions our sustainable economic growth. We have bits and pieces from Agriculture and Agri-Food Canada and temporary and sporadic supports through Fisheries and Oceans Canada, and this continued to be the same through the COVID period.

If there is one single thing for which I would ask for your support today, it's to enable our part in a strong COVID recovery. It's that you support the federal government in formally and finally identifying a department to be economic champion for the seafood sector. Our sector needs a restart in Canada. Saying yes to sustainably growing this massive opportunity for Canada and identifying and properly equipping a department to provide supports similar to those given to land farmers will provide jobs and sustainable food production and will continue to renew coastal communities.

The department can work with provinces, industry, indigenous peoples and others to develop a national sustainable development plan. The plan would set out growth targets, identify blocks, and build solutions to sustainably growing the sector in Canada. The plan would focus and drive the attention needed to recharge the sector.

The future of seafood for Canada is wild and farmed together. Both sectors, wild and farming, have come together to develop a vision for Canada's blue economy potential and for an important growth area for post-COVID: that by 2040, Canada should be the best-quality, most sustainable producer of seafood in the world. The result is a sector that strongly supports COVID recovery by contributing to thriving and flourishing coastal and indigenous communities.

• (1725)

I just ask one more time for your support to formalize, finally, a federal economic champion for the seafood sector as a major driver for COVID recovery.

Thank you.

The Chair: Thank you, Tim.

I know I shouldn't say this, but that very recommendation was made in, I believe, 2002 on a fisheries committee that I sat on, so I would say it's high time you had a department to represent your interests

We'll turn to the Canadian Chamber of Commerce, with Mr. Stratton, chief economist and senior vice-president, policy; and Ms. Drigola, director, parliamentary affairs.

The floor is yours.

Dr. Trevin Stratton (Chief Economist and Senior Vice-President, Policy, Canadian Chamber of Commerce): Thank you, Mr. Chair and members of the committee. It's a pleasure to be here today.

The Government of Canada and, indeed, all members of Parliament must be recognized for the work that they have done in providing support to businesses and Canadians during this unprecedented and very uncertain time.

The emergency supports that have been provided have spared many Canadian businesses from economic disaster and will help many Canadians through another challenging year. These pandemic-related fiscal supports have also come at an enormous price, and their cost will continue to mount for the coming months and beyond. Focusing government spending on the programs and policies that will encourage growth, create jobs and help businesses recover

will provide the greatest return on investment for all Canadians. Doing so will allow us to produce the revenue needed to offset the extraordinary amount of public spending we have incurred and will help Canada achieve an economic recovery that is fiscally sound.

All of us understand the need for emergency spending to support people and businesses through the crisis, but we must avoid creating structural deficits that will mortgage the future of the next generation of Canadians. Despite the recent third wave of the pandemic, our strong GDP growth this year gives Canadians a taste of the economic rebound to come once vaccines are widely available.

Robust government stimulus spending to jump-start growth in the short term will likely be unnecessary, since pent-up demand is ready to be released once the pandemic subsides. That doesn't mean the government needs to turn off the taps or start cutting critical programs, but this is not a typical recession that is a result of problems with economic fundamentals; therefore, it will not require traditional stimulus injections to help spur growth.

Instead, our economic recovery plan, including next week's federal budget, should focus on addressing Canada's competitiveness, such as our issues with productivity, business investment, and interprovincial trade and regulatory barriers. Addressing these issues will be the key to transforming our high growth rates from this year's initial rebound into longer-term prosperity, job creation and an inclusive economic recovery.

At the same time, we cannot lose sight of the fact that more than one year into the pandemic, businesses, especially small businesses and those in the hardest-hit sectors, continue to struggle. These sectors will require continued support to ensure they can help propel job creation going forward.

I am joined today by my colleague, Alla Drigola, director of parliamentary affairs and SME policy, who will speak to the types of targeted support that will help businesses that need it most.

• (1730)

Ms. Alla Drigola (Director, Parliamentary Affairs and Small and Medium Enterprises Policy, Canadian Chamber of Commerce): Thank you, Trevin.

Good afternoon.

If the Canadian Chamber can leave committee members with just one message today to help businesses that are still struggling, it's this: COVID-19 business support programs must remain in place for as long as businesses, particularly those in the hardest-hit sectors, are not allowed to operate without restrictions.

The wage subsidy, the rent subsidy, the liquidity programs, BCAP and HASCAP, and the partially forgivable small business loan, CEBA, are all excellent programs that are necessary for the survival of business and that are working well for the most part.

The government's initial focus was rightfully on creating business support programs that would be as widely accessible as possible; however, it is time to start taking a more focused approach to COVID-19 support programs and spending, and that requires a plan.

For all of the subsidy and spending that Canada has seen and will continue to see, the only path to real, sustainable growth is job creation and business investment. In the upcoming budget, which will be released just six days from now, the Canadian Chamber expects to see a clear plan from the government. This plan will need to be twofold.

On the one hand, we need to see continued support for the hardest-hit sectors. Sectors that depend on face-to-face interactions such as tourism, travel, hospitality and events are experiencing immense difficulties and are widely expected to be among the last to recover. They will need targeted policies to assist their longer recovery period

CEWS and CERS need to continue to be available beyond their current June expiry date, with a few improvements, such as increasing the CERS multi-entity cap to ensure that struggling medium-sized businesses are treated fairly.

Relying on the growth of only a few sectors will not get us to recovery. We need a plan that lifts everyone up and that grows all businesses, large and small, from coast to coast to coast.

Thank you for the opportunity to meet with you this afternoon. We look forward to our discussion.

The Chair: Thank you both very much.

We'll turn to the Canadian Women's Chamber of Commerce. Ms. Wilson, founder and CEO, and Ms. P. Kassün-Mutch, board member, the floor is yours.

Ms. Nancy Wilson (Founder and Chief Executive Officer, Canadian Women's Chamber of Commerce): Thank you, Mr. Chair and members of the committee.

My name is Nancy Wilson. I'm the founder and CEO of the Canadian Women's Chamber of Commerce. I'm here today with one of our board members, Petra Kassün-Mutch, who will help me address questions from the committee.

I'm going to stray from the notes that I emailed just a bit, so I apologize in advance to the interpreters. Very briefly, I want to define the scope of the women's entrepreneurship population and say that the group I'm talking about today is comprised of approximately 1.1 million business entities. That's 16% of SMEs in Canada. These are pre-pandemic figures. That 16% represents about 114,000 SMEs. Approximately 37% of self-employed Canadians are woman-identified. That's over a million self-employed Canadians who identify as women. These are not small numbers that we're talking about.

Going back to my notes, there's no doubt that women in general—employed, self-employed and business owners—have been disproportionately hit by the COVID pandemic. There's a wealth of research to support that. At the same time, women-owned businesses are essential and critical to Canada's economic recovery. Women-owned businesses are highly represented in sectors that were hardest hit by the pandemic. These are also the sectors that employ high numbers of women wage-earners. Therefore, a side effect of investing in business recovery in those sectors is going to be alleviating some of those labour force and unemployment issues that we're seeing for women re-entering the labour force. These issues are very much intertwined with supporting women business owners to get back on their feet and recover.

One of the major issues during the pandemic—and one of the factors that led to the pandemic being so devastating for women entrepreneurs and business owners—was the fact that a lot of the financial support measures coming from the government in 2020 that were focused on business support were designed for traditional, large business structures. As such, a lot of women business owners were simply not eligible for those support programs. CEBA, the wage subsidy and a lot of the loan and debt programs that were put in place were quite effective for larger, traditional business structures. However, they were very ineffective for the population I represent at the Canadian Women's Chamber of Commerce.

When we're talking about designing policy for recovery, we need to think very differently. I'm going to talk about two specific recommendations.

First, we would like to see a recovery fund put together, specifically with funds going directly to women entrepreneurs and business owners, and we would like that fund to be administered and managed by community-based organizations within the women's entrepreneurship ecosystem. The reasons are simply that the expertise and infrastructure exist in the ecosystem, as do the delivery method, the knowledge about women's business structure and the relationships with the people who need that money the most.

Second, we want to see the government double down on the women's entrepreneurship strategy. The women's entrepreneurship strategy, initially introduced in budget 2018, was groundbreaking. It received a lot of attention globally, and rightly so. It was starting to gain some traction when the pandemic hit.

• (1735)

In order to really see that strategy reach its goals, the government needs to reinvest in it. We want to see at least \$5 billion reinvested into that women entrepreneurship strategy to regain that traction, to regain ground that has been lost, to support the ecosystem of organizations that support women's entrepreneurship, to provide emergency funding during the recovery and to start implementing a longer-term, sustainable women entrepreneurship strategy going forward so that Canada can remain globally recognized as a women's entrepreneurship champion.

Finally, I echo my colleagues at the Canadian Chamber of Commerce. I think there is a lot to be applauded in terms of the government's response last year—its fast and nimble response to the pandemic. With the recovery, I think we need to look at lessons learned and make sure our recovery response and policies are truly inclusive going forward, and that we're able to make sure that the hardest hit during COVID, during the pandemic, are the ones who are truly taken care of the most during this recovery period, not to the exclusion of other groups necessarily, but given due consideration.

Thank you so much.

• (1740)

The Chair: Thank you very much.

Just to give members the question lineup, the first questioner will be Mr. Falk, followed by Ms. Koutrakis.

We'll turn to the last witness, Brad Sorenson, CEO of Providence Therapeutics.

Brad.

Mr. Brad Sorenson (Chief Executive Officer, Providence Therapeutics): Thank you very much.

Thank you for the opportunity to join you today. Messenger RNA is the most effective vaccine technology on the planet. In the worldwide race for a COVID vaccine, messenger RNA was the fastest by months. It is the most effective at 95% efficacy. It will be the fastest vaccine platform to respond to variants. It is the most scalable vaccine technology, having gone from novel technology to rolling out hundreds of millions of doses within a single year.

The committee will recall that prior to November 2020, no messenger RNA drug—vaccine or otherwise—had ever been approved for use in humans. In fact, prior to 2020, Moderna and BioNTech, the inventor of the Pfizer vaccine, had never even run a phase three trial. However, these previously untested and unproven companies are now providing Canada a lifeline to safety and economic stability.

Providence Therapeutics looks forward to joining these companies and adding to the worldwide supply of mRNA vaccines in early 2022. I would be remiss if I did not add that Providence has always been committed to prioritizing Canada's needs. Certainly, it is clear that Canada will need additional vaccines in 2022, as the current vaccines are not up to the task of suppressing the variants.

Let me recap the progress that Providence has made over the past year. Providence designed a vaccine in under four weeks. We negotiated and paid for the licence to the necessary intellectual property with Genevant of Vancouver. We established productive collaborations with the University of Toronto, Sunnybrook Research Institute and the Ontario Institute for Cancer Research. We completed over five preclinical animal trials to establish the safety and efficacy of our vaccine. After we qualified our good manufacturing practices, or GMP, we manufactured enough vaccine to complete all of our early clinical trials. Our phase one trial has been fully enrolled. Our last patient visit for follow-up is scheduled for April 20 of this month. The final results will be unblinded and available to the public in approximately six weeks.

In the meantime, we have provided limited access to the Government of Canada via the strategic innovation fund and the National Research Council, plus the provinces of Alberta and Manitoba, as these groups evaluate opportunities to support phase two and three trials and manufacturing scale-up for commercialization. I am pleased to advise the committee that Providence has a vaccine that is on track to being best in class when compared with Pfizer and Moderna, specifically in the areas of tolerability, stability and immune response.

Providence met with Health Canada on March 18 for a preclinical trial application, or pre-CTA meeting, to lay the groundwork for phase two and three trials in Canada. These trials will be non-inferiority or comparator trials wherein the Providence vaccine will be tested directly, head to head, against an approved vaccine. The primary readout will be a surrogate marker of immunity. This will allow Providence to run these trials in Canada. All participants will receive a vaccine, either Providence or competitor, and no participant will be given a placebo.

One critical item required for these trials that has not been resolved yet is that Providence must have access to the competitor vaccine to run the trial. We approached the Canadian government and were instructed to ask the company in question. We did. We have been informed that they are not willing to provide doses. We have circled back with the Canadian government and are currently waiting for a further reply. It has been suggested that we should speak to the provinces. We have. However, because this is a multiprovincial trial, it would be difficult to guarantee that all doses came from the same production lot.

It is Providence's opinion that if the Canadian government is committed to supporting R and D and trials in Canada, then providing access to doses should reasonably fall within its responsibilities. We respectfully ask specifically for that practical support, keeping in mind that all doses received will in fact be administered to Canadians in the end.

This committee and other witnesses are certainly aware that COVID variants are currently threatening the success of Canada's vaccine rollout.

• (1745)

I would like to state for the record that Providence has been warning of this outcome for months and in fact brought up the need for a broader-based vaccine to the Government of Canada back in March 2020.

Providence has a funding application currently under review with the NRC to advance a variant vaccine forward to approval by Q1 of 2022. This variant add-on trial is set to start in October 2021. This is relevant, as right now variants are successfully evading the currently approved vaccines and Canadians will need these variant vaccines as early as possible in 2022.

If Canada desires to avoid future loss of life and lockdowns with all the attendant economic and mental suffering, absent a broadbased universal COVID vaccine, updated variant vaccines will be required yearly for the foreseeable future.

As I am speaking to the finance committee, I will note that Canada's financial contribution received in 2020 from the NRC and NGen totalled \$1.6 million. In 2021, Providence has received \$1.8 million to date from Canada. The total authorized refund amounts awarded to Providence to date are \$4.9 million from the NRC phase one grant, and \$3.5 million from NGen.

I look forward to your questions. Thank you.

The Chair: Thank you very much, Mr. Sorenson. It's nice to hear some good news, with a bit of questionable news in there too that I guess we'll have to get to.

We'll have to go first to five-minute rounds. Sorry about that.

Mr. Falk will be followed by Ms. Koutrakis.

Mr. Ted Falk: Thank you, Mr. Chair, and thank you to all the witnesses for testifying today at committee.

Mr. Sorenson, as a quick bit of advice, Mark Scheifele and the Winnipeg Jets are where you want to place your bet, if that's helpful at all to you. I'm sure it is.

Mr. Brad Sorenson: I have to confess that Brian Pallister has made me a bit partial to Winnipeg right now.

Mr. Ted Falk: All right, there you go. My understanding is he has made a deal with you. We'll talk about that a bit yet.

The federal government's vaccine procurement and rollout has been a disaster, often because Canada has had to source vaccines from outside the country. Meanwhile, your company is making good headway on a made-in-Canada vaccine, yet you were quoted in a CTV News article at the end of January as suggesting that if engaging with the federal government is supposed to be part of that solution, it's not working.

Why isn't the federal government working with you on this?

• (1750)

Mr. Brad Sorenson: Again, you're referring to a quote from back in January. I have to acknowledge that in the last 30 days the level of communication between Providence and the federal government, particularly the strategic innovation fund, has seen a significant uptick. We have been formally invited to submit an application to them for support for our phase three trial, which we com-

pleted last Friday. We are hopeful that the request will be evaluated on its merits and that we will be able to see some support forthcoming.

Mr. Ted Falk: Okay. That's good. Canada has an opportunity to shore up COVID-19 vaccine production in my province of Manitoba, near the University of Manitoba. Emergent BioSolutions signed a contract last year to produce the vaccine that your company developed, and you have the backing of Premier Pallister. The federal industry minister says that he wants to support you, but then his spokesperson walked that back and...those remarks, as reported in the Winnipeg Free Press.

Have you been able to get any basic commitments from the federal government? I think you've just answered that question. They are talking with you collaboratively. How's that going?

Mr. Brad Sorenson: I'm not somebody who likes to watch life in the rear-view mirror. I like to think of what's coming forward. I believe the federal government is learning from the past, is going to seek and take advantage of the opportunity presented to it to have a world-class mRNA vaccine manufactured here in Canada, and will support that.

To date, all the support that we have received or is being contemplated by the federal government is strictly related to the clinical trial aspect. We have had no engagement with the federal government as it relates to manufacturing or scale-up for commercialization. They seemed reluctant to begin those discussions until we are farther along in the clinical trial process.

Mr. Ted Falk: Okay.

I know I'm going back to some quotes you made in February, but you indicated back then you had the capacity to produce about 120 million vaccines right here in Canada, yet the federal government wasn't offering you any help or taking your calls at that time.

You thought 50 million doses could be ready this year. How could the government better support you in achieving that objective? Making the vaccine available was one of the ways you suggested, but is there anything else?

Mr. Brad Sorenson: Candidly, the chance of us producing 50 million doses has passed. That was proposed and the federal government and the provincial governments were made aware of it in January. The Manitoba government took advantage of that opportunity.

In order for us to produce the vaccines in the volumes we're discussing, we have certain key raw materials we have to secure and acquire, and there are lead times associated with that.

Mr. Ted Falk: Okay.

Mr. Brad Sorenson: The soonest we can start production in Canada at scale now is no longer in July; it would be in September. We still could produce tens of millions of vaccines this year.

Mr. Ted Falk: Okay.

The other vaccine doses that are currently being used and prescribed here in Canada range in price, the cheapest being \$3 to \$5 a dose and the most expensive being around \$37 a dose. Where do you see your company's vaccine landing?

Mr. Brad Sorenson: Our term sheet we have with the Manitoba government, and what was proposed across the board in Canada, was \$18 Canadian a dose. I'm not ashamed to say that Providence is making a fairly reasonable profit at that price. If there was an opportunity to do something and improve on that pricing, we certainly would look at it.

Once we have the full supply chain integrated into Canada, which we are in the process of doing, we will be able to reduce those prices further. Right now we still currently rely for 2021 on an international supply chain, and we're looking to reduce that reliance by 2022—

• (1755)

The Chair: We will have to move on. I'm sorry, Ted.

Mr. Ted Falk: Thank you, Mr. Sorenson. I think my time is up.

The Chair: Thank you both.

We turn then to Ms. Koutrakis, and I believe Ms. Dzerowicz wants the last question in this round.

Annie, the floors is yours.

Ms. Annie Koutrakis: Thank you, Mr. Chair.

Thank you to all the witnesses for appearing here this afternoon and for your testimony.

My question is for Ms. Wilson.

The Canadian Women's Chamber of Commerce has commented on the need for universal child are as an important part of our economic recovery. Can you elaborate on this?

Ms. Nancy Wilson: Absolutely. Child care is essential to support women entrepreneurs. Without a national child care program, it is my belief that while any other strategy or policy interventions may certainly have an impact, we will always be struggling against the issue of unpaid care work and a disparity in the amount of time women entrepreneurs are able to spend on building their businesses, as well as other inequalities.

When you look regionally and within urban centres at the accessibility of child care, it's a complicated issue. There are certainly individuals and organizations that know much more specifically about child care than I do. What I'd say is national child care is incredibly important for women entrepreneurs. It is not a panacea, however. It is not the be-all and end-all solution for women business owners. It is one piece of the puzzle.

I would also add that a national child care program is of benefit to parents of all genders. Right now it's very much positioned, and we position it, as a benefit to women entrepreneurs. Simply because of gender roles, because of the amount of unpaid care work that falls on predominantly women-identified parents, it is going to be primarily of benefit for mothers and for women. Going forward, envisioning a more equal division of labour, a national child care program really is going to benefit all Canadians. It's going to benefit our children; it's going to benefit our early childhood educators; it's

going to benefit employers and it's going to benefit parents of all genders.

The Chair: We are going to have to move to Ms. Dzerowicz for the end of this round, and then to Mr. Ste-Marie.

Ms. Julie Dzerowicz: Thank you so much, Mr. Chair.

Thanks to everyone for their excellent presentations.

My question is directed to the Canadian Chamber of Commerce.

Mr. Stratton, last week in The Globe and Mail business section, there was an article that started as follows:

Canada's beleaguered economy has an \$80-billion-a-year stimulus injection sitting right in front of it, and it won't cost its governments a penny to pick it up. They won't have to raise taxes...for it. They'll actually make money from it—lots of it.

What would it take?

"One weekend," former Bank of Canada governor Stephen Poloz told an online forum last week.

It would have to be a heck of a weekend. Removing Canada's largely indefensible barriers to interprovincial trade would require a rare collective political goodwill among provincial premiers, and serious leadership from Ottawa.

My question to you, Mr. Stratton, is, should eliminating interprovincial trade barriers be an urgent and immediate priority for our federal government and a key part of Canada's economic recovery plan?

Dr. Trevin Stratton: Absolutely. I would agree with those remarks about the potential economic benefit of removing interprovincial trade barriers. There are many people who have said this.

The International Monetary Fund has also looked at this and estimated that it can add about 4% of real GDP per capita to Canada's economy. It's going to be incredibly important for when we have difficult fiscal situations going forward. These kinds of policies, focusing on reducing regulatory burdens and interprovincial trade barriers, are low-cost or no-cost ways to get to economic recovery.

• (1800

Ms. Julie Dzerowicz: Thank you so much.

The Chair: Thank you, all.

We'll turn then to Mr. Ste-Marie, followed by Mr. Johns.

Gabriel.

[Translation]

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

Good evening, everyone.

I want to thank the witnesses for their presentations.

My first question is for Mr. Stratton or Ms. Drigola.

I agree that it's important to maintain measures such as the Canada emergency wage subsidy and the Canada emergency rent subsidy for the duration of the pandemic to help people through the crisis. My question is about after the pandemic.

In the fall 2020 economic statement, Ms. Freeland announced a \$70 billion to \$100 billion post-pandemic stimulus package. This echoes the Biden administration's \$1.9 trillion package in the United States. However, there's some debate in this country about the package. Some economists say that it's a good idea and others say that it isn't necessary.

What are your thoughts on this? What's your organization's position on this stimulus package?

[English]

Dr. Trevin Stratton: Absolutely. It's important to keep in mind that not all types of spending are stimulus. I don't know of any economist who is saying turn off the spending taps. There are obviously a lot of Canadians and businesses out there still needing support. However, support programs aren't meant to be stimulus. Stimulus spending is when governments step in to spur demand when it's absent in the market. They're stimulating demand.

When we look at some of the data that came out this week from the Bank of Canada about the business outlook survey and the consumer confidence survey, we know that there is pent-up demand in the economy. Businesses are planning on investments in anticipation of this being released, and consumers are planning on spending more after vaccinations are widespread, even if their income expectations remain the same. There's quite a bit of savings in bank accounts right now that might be released.

While we need support programs, we do not necessarily need stimulus for the sake of jump-starting demand. It's ready to be released. It's not fiscal policy that will release it, but rather health policy. Nothing will have a greater impact on our economic growth than getting the pandemic under control. That's why our position is that any government spending should focus on those longer-term competitiveness issues when it comes to the regulatory burden between productivity, removing interprovincial trade barriers, and infrastructure spending to a certain extent—not for shovel-ready stimulus but for improving our long-term competitiveness.

[Translation]

Mr. Gabriel Ste-Marie: Thank you.

If I understand your point of view correctly, you're basically in favour of the support program during the pandemic because we need to recover as quickly as possible, as you said in your presentation. However, you aren't necessarily in favour of a stimulus program to boost the economy after the pandemic, and certainly not to boost demand.

Some may say that this program could boost supply, that it could help businesses get equipped to shift towards the green economy, or that it could support growth sectors.

Do you have the same opinion in terms of supporting or boosting global supply?

[English]

Dr. Trevin Stratton: Global demand is also projected to rise in the second half of this year. Economic growth projections have been revised upwards for the second half of this year as well. In Canada, we see demand being projected to increase later on as well, for similar reasons.

Leaving stimulus aside for a second, what's very important to me and what I'm concerned about is what's called economic scarring. There are compounded affects on business investment and labour market scarring in terms of lifetime income and things along these lines. These are longer-term impacts that we'll see well after we have the health aspects of the pandemic in the rear-view mirror. Focusing on that is going to be very important in shifting from rebound to recovery.

[Translation]

Mr. Gabriel Ste-Marie: Thank you.

Mr. Chair, do I have time for one more question?

[English]

The Chair: Please be very quick.

● (1805)

[Translation]

Mr. Gabriel Ste-Marie: I'll stop here then. I'll come back to this.

Thank you.

[English]

The Chair: Thank you, Gabriel.

We have Mr. Johns, followed by Mr. Fast.

Gord, you have five minutes.

Mr. Gord Johns: I'll start with the Chamber of Commerce. As a former executive director of the Chamber of Commerce, I first want to thank all of you for the work you're doing and for the hard work you've done throughout the pandemic. We have six chambers in my riding. They've been instrumental in supporting their membership and our local economy.

Ms. Drigola, I'm going to direct my attention to you, since you're representing the small business side of things.

The recent CEBA loan has obviously been life-saving for many small businesses. We've seen the government expand it to \$60,000. With the third wave now happening and many businesses under more shutdowns, we're putting forward a pitch to the government to expand that by another \$20,000, another \$10,000 forgivable portion and extending the repayment timeline to 2025.

Do you think that extension would make a difference right now for small business owners?

Ms. Alla Drigola: You bring up an excellent point about the timeline. A year ago, 2022 seemed like plenty of time to repay loans, but here we are a year later in the third wave. Small businesses are pretty maxed out in terms of debt capacity. Extending that repayment timeline is something that would be a good use of government time to revisit, particularly for small businesses.

That being said, I think extending the loan is also something they could do. That's also an example of where it's time to start tailoring those supports to the businesses in the sectors that really need it, versus a broad blanket open to everyone, including those who may not necessarily need access to that additional loan. It should be more targeted towards those hardest-hit sectors.

Mr. Gord Johns: I really appreciate that, especially as someone who comes from an area that's dominated heavily by tourism. You can imagine how that sector has been impacted.

Ms. Wilson, you just talked about child care. The number one priority, pre-pandemic, of the Comox Valley Chamber of Commerce in my riding was affordable and accessible universal child care. We look at Quebec, where 70,000 individuals went back to work. Like you said, all genders benefited from that program, but it was predominately women who benefited from their child care program. Their GDP, as you know, grew 2%. It's been instrumental for their economy.

Right now, we've seen women disproportionately impacted by the COVID crisis. Can you speak about how critical this is to the economic piece and to helping bring people back to work, especially women?

Ms. Nancy Wilson: There's no doubt that child care is essential. It's long overdue that Canada implement a national child care program that is publicly funded and takes the model we see in Quebec, which has excellent, robust data showing that it works, that there's a good return on investment there, and that labour force participation increased in Quebec. The data is there. It's there in other countries. It makes sense. It should be, quite honestly, a no-brainer.

My short answer is, let's do it already.

Mr. Gord Johns: Yes.

Ms. Nancy Wilson: Let's face it. Even if we had a national child care program across Canada, those child care facilities would have been closed during social distancing. We still have to look at systemic inequalities that exist within the economic system. If we're looking at tourism, women entrepreneurs are highly represented in tourism and accommodation in that sector. There are other issues to be solved in addition to the child care issue in order to really get that sector back on track.

• (1810)

Mr. Gord Johns: I have only a few seconds.

Obviously, we're seeing the housing crisis that's going on right now and the impact it's having on not just employees of business owners, but actually business owners themselves. In the 1970s and 1980s, 10% of our housing market was non-market housing; now we're at less than 4%.

Can you speak about how critical it is for the federal government to invest in non-market housing and partner with all levels of government and start building housing?

Ms. Nancy Wilson: It's critical when we look at economic housing issues to make sure not only that a gender-based analysis is implemented, but also that we're looking at intersectional issues. When you pair economic inequalities with racial inequalities and gender inequalities, you see that these issues can't be addressed ad-

equately in a vacuum or by solving them in just one area. We really have to look at how everything is interconnected and how we can address things at the systemic level.

The Chair: We'll have to move on to Mr. Fast, followed by Mr. Fraser.

You have five minutes, Ed.

Hon. Ed Fast (Abbotsford, CPC): Thank you.

My questions will be for Mr. Stratton, because it's seldom that we have an economist at the table. Thanks for coming, both of you, from the Canadian Chamber.

Mr. Ste-Marie has already taken us down that path, but there are a few different pieces I want you to help me put together. Like so many other central banks around the world, the Bank of Canada pursued a policy of aggressive quantitative easing, especially early on in the pandemic, and it still hasn't tapered off its purchases of government bonds. You layer on top of that the massive stimulus that's happening in the United States and the infrastructure spending they're hoping to get passed down there. Add to that pretty strong GDP growth, and then on the sidelines you have corporate and household savings at record levels.

When you put all of that together, do we still need a \$100-billion stimulus program in Canada? What could be the impact of all of these influences on our economy?

Dr. Trevin Stratton: Certainly central banks in Canada and all over the world have pursued quantitative easing, and we saw how this tool can be used successfully to address economic downturns during the 2008 crisis. That being said, a lot of central bankers themselves would agree that there are limits to how much government debt central banks can buy.

There are risks of inflation. Our economic growth projections have started to tilt toward upside risks, that the growth will actually be higher than was initially projected. I like the way it was framed in terms of putting the pieces together, because I really think we need to think about it holistically and systemically and macroprudentially. It's thinking about the combination of monetary policy, fiscal policy and potentially pent-up demand at the same time.

Certainly there are risks for inflation if the desired amount of easing required is overestimated and too much money is created by the purchase of liquid assets.

That being said, the bank has said that it will stop quantitative easing efforts once the economy has recovered, so it will be very important for it to keep an eye on that. The bank has said that if there is more inflationary pressure, then we can expect it to adjust policy accordingly.

Hon. Ed Fast: Could you expand a little on productivity-enhancing infrastructure investments? If you're looking at productivity driving infrastructure, what would that be?

Dr. Trevin Stratton: That's a great question. I think this is an issue that actually existed in Canada pre-pandemic as well. We have historically had lower productivity levels than the United States, for instance. Our productivity levels have actually been diverging from those in the United States since around 2011, because of some of the competitive policies that have been put in place down south to encourage investment in both technologies and skills.

We haven't seen the same level of investment or the same types of competitive policies put in place here to encourage that, so it will be very important to try to do that going forward. As many people talked about during the pandemic, there might be an acceleration of digitalization, of course ensuring that many Canadians are involved in re-skilling and upskilling so they also don't fall behind.

In terms of productivity, economists like me talk about just outputs in terms of units of input. Being able to invest and create that investment environment for technologies and skills is what will help enhance that for us. That includes infrastructure—not only traditional infrastructure but also broadband infrastructure, which will have a huge impact on that going forward, specifically for rural and remote communities, which should not necessarily have a divergence from urban communities when it comes to the economic opportunities available.

• (1815)

Hon. Ed Fast: Can you comment at all on how we repatriate the foreign direct investment we've lost over, say, the last decade? There is no doubt that we're paying a steep price for not having had a competitive environment that attracts foreign investment. Do you have any ideas on how we get that back in Canada?

Dr. Trevin Stratton: Yes, I do.

First of all, even though we see business investment going up in the short term, it's because of increased demand. The key to attracting foreign and domestic investment over the medium or longer term will be, instead of having people invest in Canada because consumer demand is going up, having them invest in Canada because the investment conditions are competitive compared with those anywhere else that they can put their money.

Certainly this has to do with policies that can have the greatest return on investment for businesses, including regulatory policy, including tax policy, including infrastructure spending, and obviously including the skills and talent in our workforce.

The Chair: We have Mr. Fraser, followed by Mr. Ste-Marie and Mr. Johns.

Mr. Fraser.

Mr. Sean Fraser: My question is for Ms. Drigola.

I love it when witnesses start by saying "the one thing you can do" and then tell us what the one thing we can do is, which is to keep emergency programs in place.

Mr. Stratton referred to the phenomenon of economic scarring, which has been front of mind for us from the very beginning. I'm curious as to whether you can offer perspective into what kind of economic landscape we might have been dealing with, had the government not intervened to put forward measures such as the wage

subsidy, such as CEBA and such as CERB in some instances, at the outset of this pandemic.

What would the world we're living in look like in the absence of those benefits?

Ms. Alla Drigola: That's a great question.

We would have seen many more businesses struggling or closing and many more jobs lost. As Trevin said, from the beginning we commend the government for introducing these programs quickly and making them widely available to businesses. We've seen that more than 50% of small businesses have accessed CEBA and CEWS. The numbers are very significant. Without these programs and those supports, we would have seen unemployment numbers that were much larger, with businesses closing.

That being said, this is why today we're calling for these programs to be extended and for businesses to have the certainty that those programs will still be in place past June. We're in the third lockdown now. Many businesses in Ontario have been shut—especially restaurants, for example—since the fall. We really need to make sure that these programs remain in place and that they are still there for businesses that need them, because without them I think we're going to see a lot more devastating consequences.

Mr. Sean Fraser: For what it's worth, between the last panel and this one I received a call from the executive director of a local performing arts centre who works with the arts industry right across Canada, who said precisely the same thing.

Mr. Chair, I don't want to encroach upon my colleague. I'm splitting my time, so maybe I should call it there.

The Chair: Mr. Fragiskatos, you have three minutes.

Mr. Peter Fragiskatos: Thank you very much, Mr. Chair.

Since we are splitting I don't think I have much time, so I will ask this to Mr. Stratton.

Ms. Dzerowicz spoke about the importance of interprovincial trade barriers as they exist and the negative impact they continue to have on the Canadian economy.

Do you think this committee ought to take the opportunity at some future point, Mr. Stratton, to study those barriers further and provide recommendations directly to the government on how they can best be overcome?

Dr. Trevin Stratton: No. Our position has always been that even though this might be a jurisdictional provincial-territorial issue, many businesses are looking for national leadership on the reduction of interprovincial trade barriers.

Certainly, studying what barriers might exist and what might be the way to reduce them—not only including what we traditionally think about as interprovincial trade barriers, but also labour market barriers—would, I think, be appreciated, and the Canadian Chamber would be happy to participate in such a study.

• (1820)

Mr. Peter Fragiskatos: I look forward to that.

In a very collegial way, Mr. Chair, through you, I tell my Conservative colleagues to get on board with this—at a future point, of course, once we've reviewed the COVID issues we've been wrestling with at the committee. This is something the committee should really delve into. I thank my colleague, Ms. Dzerowicz, for initially raising the idea recently.

Mr. Chair, do I have time for more?

The Chair: You have one more question.

Mr. Peter Fragiskatos: Maybe I will stick with the chamber, whether it's Ms. Drigola or Mr. Stratton. Could you go a bit more into your focus on productivity? I thought that was really interesting. Mr. Fast raised a question relating to that, but it's good to get it further on record.

If I understand your argument, you expect the pent-up demand that exists, that is sitting there post-pandemic, will be unleashed to lead to enormous growth in the Canadian economy. Your focus and call to attention is on productivity, but what does that look like? How can the government best support that? Is it by investing in R and D? Is it investing in...? Fill in the blanks for me. What exactly do you mean when you say "productivity"?

Dr. Trevin Stratton: In terms of government investments, certainly there are some things that can help with that: like I mentioned, investments in broadband infrastructure, for instance, enhancing productivity over the longer term, and also economic opportunity.

There are certainly other things that could be useful that don't even have to do with government investments or spending. Looking at a review of the SR and ED program to be able to really spur our scientific research and development going forward would be a great way to do it.

Looking at how we might alleviate some of the tax burdens temporarily, and then, of course, tax competitiveness over the longer term, specifically for small businesses to actually encourage that investment, or productivity-enhancing technologies or skills going forward would be other ways to do it.

There are a lot of different policy measures that don't only have to do with spending but also have to do with other aspects of economic policy too. We have definitely made some submissions when it comes to the budget regarding that.

The Chair: Thank you. You might even throw in regulations, I suppose.

We'll go to one question each from Mr. Ste-Marie, Mr. Johns and Ms. Jansen.

We have a hard stop at 6:30 Ottawa time.

Mr. Ste-Marie.

[Translation]

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

My question is for the representatives of the Canadian Chamber of Commerce and the Canadian Women's Chamber of Commerce.

We know that the pandemic has been a major blow to businesses and that consumer habits have rapidly shifted to e-commerce. This situation mainly benefits the web giants, and sales taxes still aren't being collected by the Canadian government. These giants don't have to pay taxes or royalties on their revenue. The government had promised to tax them, but it hasn't done so in the past year.

Have your members commented on this matter? Are they outraged by this situation and, if so, to what extent?

[English]

The Chair: Who is taking that, Ms. Wilson or Ms. Mutch?

[Translation]

Mr. Gabriel Ste-Marie: My question was for the representatives of the Canadian Chamber of Commerce and the Canadian Women's Chamber of Commerce.

[English]

Ms. Nancy Wilson: I'll turn this over to the Canadian Chamber of Commerce. There are not a lot of women who own tech giants.

The Chair: Okay, Mr. Stratton, it's over to you.

Dr. Trevin Stratton: Sorry, can you just repeat the question?

[Translation]

Mr. Gabriel Ste-Marie: Your members have been hit hard economically this year, while web giants such as Amazon take up an increasing share of the market. In addition, the federal government still isn't levying any taxes on their sales. Has this situation caused outrage among your members?

• (1825)

[English]

Dr. Trevin Stratton: There has definitely been an increase in ecommerce during the pandemic. Many small businesses have also been able to adapt in doing this too: small businesses of all types, and those in rural communities as well, which are being able to access customers and markets that might not previously have been possible.

Going forward, certainly the increased digitalization of small businesses is going to be very important, but it's also important to keep in mind that some of those businesses in the hardest-hit sectors really rely on a physical presence for their business models to work, so that might not be an option for them. That's going to be very important too.

Certainly when it comes to the taxation of technology companies, we have been in favour of a digital sales tax in Canada for quite some time, and that could certainly help with this situation.

The Chair: Thank you, all.

We'll go to Mr. Johns for a single question, followed by Ms. Jansen for the same.

Mr. Gord Johns: Thanks.

Ms. Wilson, you talked about the challenges that many of your members are facing around liquidity—and access, actually, to all the programs, but specifically to liquidity—and being able to access the CEBA loan program.

Do you support and believe that program needs to be expanded to \$80,000 and the loan repayment date changed to later than next year? Also, do you think there should be a micro kind of structure of that program, for those who can't access it?

Ms. Nancy Wilson: I'm going to let my colleague PK address this question around debt.

Ms. Petra Kassün-Mutch (Board Member, Canadian Women's Chamber of Commerce): Thank you very much, Nancy.

As an entrepreneur, I can answer that question by saying that I think extending the repayment and offering larger opportunities is a good thing. However, the reality is that most women entrepreneurs don't have the kind of credit facility, rating or net worth to be able to access some of those funds, because at the creditor or bank level, you are still asked to personally guarantee these loans. You're still on the hook for it.

Many of the entrepreneurs we see are reluctant. They would love to be able to leverage that, but I work in a number of different entrepreneurship spaces in the ecosystem and I know so many who simply tried and could not get access to it, or are reluctant because they're not sure. That's especially the case for early-stage businesses.

I've run both. I've had an established one and a start-up. In my established business world, I would have been able to predict what the change in demand and all of that would have been, and my ability to repay. However, in a start-up, where you're still spending on innovation, market-building and community-building, you don't actually know whether you are going to be able to repay that money in three or four years, because you're still at that stage of placing a bet

I'll stop there just by saying that I think we need to reframe and reconsider how we support entrepreneurs, especially women, who tend to have less of a net-worth balance sheet for a host of reasons, like pay equity gaps and so on. How do we help those women entrepreneurs get access to these funds, given that we still are relying on traditional creditor criteria?

The Chair: Thank you, all.

Ms. Jansen, the last question will be from you.

Mrs. Tamara Jansen: Thank you. My question is for Trevin Stratton.

I was talking recently with Anita Huberman. She's the CEO of the Surrey Board of Trade, and an amazing woman. We were talking about, obviously, the provincial barriers as a big issue that they recommended we co-operatively work on getting rid of. I'm not sure why we need to study it again, but she was also talking about reducing regulatory burdens.

One of the recommendations she really wanted me to talk about was in regard to our deteriorating relationship with our neighbours to the south over the last five or six years. She even mentioned some of the decisions that President Biden has made recently that are really quite impactful on Canada. The recommendation they gave us was to create a Canada-U.S. relations committee to implement an economic recovery plan that recognizes the integration of the North American economy.

I wonder if you could give me a bit of a rundown as to how you think about this situation.

Dr. Trevin Stratton: Absolutely. First of all, Anita is one of the greatest champions of the chamber network across the country. She's great.

As sometimes happens, the business community might be one step ahead in terms of doing this. You may have noticed that just this morning we announced a task force that is going to be looking at Canada-U.S. relations when it comes to economic recovery and a number of different areas, including infrastructure, including a green recovery, including opening the border when it comes time to do so.

If there's an opportunity to work together with the committee when it comes to that, we're all set.

• (1830

The Chair: I'm sorry; we will have to end it there.

There are a number of questions I'd like to raise, but we're out of time.

I want to thank the witnesses for coming forward and taking the time from their busy days to help us out with this study.

Thank you, all.

The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Publié en conformité de l'autorité du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.