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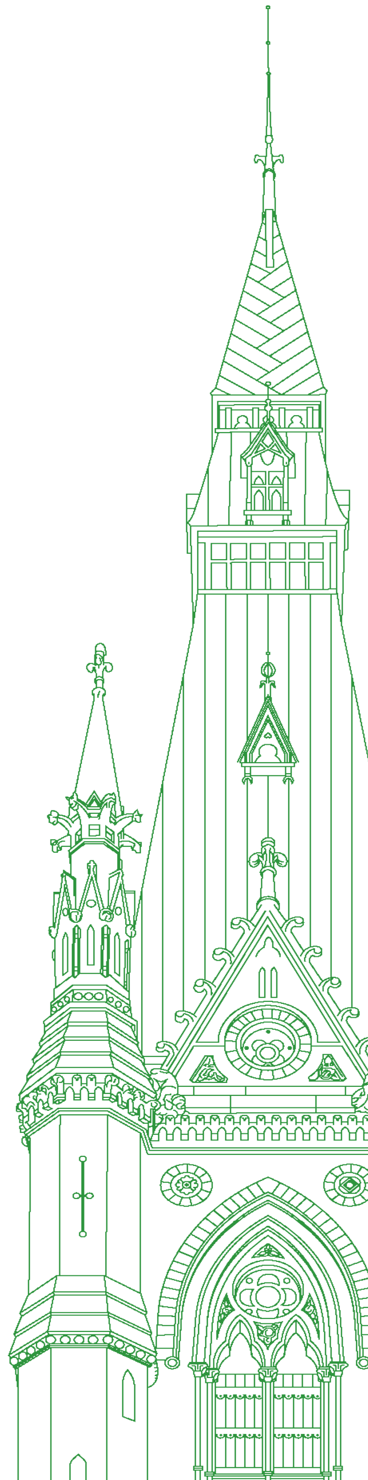

Chair: Mr. Peter Fonseca

Standing Committee on Finance

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● (1100)

[*English*]

The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)): I call this meeting to order. Welcome to meeting number 17 of the House of Commons Standing Committee on Finance. Pursuant to the motion adopted in committee on December 16, 2021, the committee is meeting to study the pre-budget consultations in advance of the 2022 budget.

Today's meeting is taking place in a hybrid format pursuant to the House order of November 25, 2021. 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 the webcast will always show the person speaking rather than the entirety of the committee.

Today's meeting is also taking place in a webinar format. Webinars are for public committee meetings and are available only to members, their staff and witnesses. Members enter immediately as active participants. While functionalities for active participants remain the same, staff will be non-active participants and can therefore view the meeting only in gallery view.

I'd like to take this opportunity to remind all participants at this meeting that screenshots and taking photos of your screen are not permitted.

Given the ongoing pandemic situation, and in light of the recommendations from the health authorities as well as the directive of the Board of Internal Economy on October 19, 2021, to remain healthy and safe, all those attending the meeting in person are to maintain two-metre physical distancing and must wear a non-medical mask when circulating in the room. It is highly recommended that the mask be worn at all times, including when seated. We must maintain proper hand hygiene by using the provided hand sanitizer at the room entrance.

As the chair, I will be enforcing these measures for the duration of the meeting, and I'll thank members in advance for their co-operation.

To ensure an orderly meeting, I'd like to outline a few rules to follow. Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have the choice at the bottom of your screen of either floor, English or French audio. If interpretation is lost, please inform me immediately and we will ensure interpretation is properly restored before resuming the proceedings.

The “raise hand” feature at the bottom of the screen can be used at any time if you wish to speak or alert the chair. For members participating in person, proceed as you usually would when the whole committee is meeting in person in a committee room.

Keep in mind the Board of Internal Economy's guidelines for mask use and health protocols.

Before speaking, please wait until I recognize you by name. If you are on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer.

When speaking, please speak slowly and clearly. When you're not speaking your microphone should be on mute. As a reminder, all comments by members and witnesses should be addressed through the chair.

With regard to a speakers list, the committee clerk and I will do the very best we can to maintain a consolidated order of speaking for all members, whether they are participating virtually or in person.

The committee agreed that during these hearings the chair enforces the rule that the response by a witness to a question take no longer than the time taken to ask the question. That being said, I request that members and witnesses mutually treat each other with respect and decorum. If you think the witness has gone beyond the time, it's the member's prerogative to interrupt or to ask the next question, and to be mindful of other members' time allocation during the meeting.

I also request that members not go much over their allotted question time. Though we will not interrupt during the members' allotted time, I'd like to keep you informed that our clerk has two clocks, which time our members and witnesses.

I'd now like to welcome our witnesses.

As an individual, we have Ian Lee, associate professor for the Sprott School of Business, Carleton University. From Campaign 2000, we have Leila Sarangi, national director. From Canada's Building Trades Unions, we have Mr. Sean Strickland, executive director. From Canadians for Affordable Energy, we have Mr. Dan McTeague, president. From the Etobicoke Services for Seniors, we have Ms. Alison Coke, chief executive officer. From Festivals and Major Events Canada, we have Martin Roy, executive director.

We're now going to hear opening statements from witnesses. Each of the witnesses, one per group, will have up to to five minutes to make their opening remarks before we move to members' questions.

We're going to start right off the top with Mr. Ian Lee.

Dr. Ian Lee (Associate Professor, Sprott School of Business, Carleton University, As an Individual): Thank you, Mr. Chair and committee, for inviting me.

In 1953, the year I was born, Sir Isaiah Berlin, the great Oxford philosopher, wrote a remarkable book, in part about animals. Berlin stated that there are two kinds of thinkers in the world: the hedgehog and the fox.

Hedgehogs view the world through the lens of a single defining idea, and he gave as examples Plato, Hegel, Nietzsche and Proust. By contrast, foxes draw on a wide variety of experiences—for example, Shakespeare.

Today, I'm speaking to this committee as a hedgehog.

I have one more quote. The great general Napoleon Bonaparte stated that generals often prepare for and fight the last war, not the next war.

What was the last war in our time? From the early seventies, when I entered the workforce in Canada, until very recently, Canada confronted relatively high unemployment caused by the entry of millions and millions of boomers, coupled with significant levels of immigration, which many Canadians—I'm one of them—strongly support.

Consequently, for the past 50 years—1972 to 2022—every prime minister, every finance minister and every premier, MP, social activist, scholar and think tank has focused on issues surrounding unemployment, income supports, worker retraining and even suggestions for a guaranteed annual income, while federal and provincial governments have understandably spent hundreds of billions of dollars to address these urgent social problems.

Then COVID wandered into the nation's homes and businesses and, in one of the numerous paradoxes engendered by the COVID pandemic, caused temporary—as we very quickly learned—high unemployment, followed very shortly by a very strong, robust economic rebound, as specifically mentioned several times by Minister Freeland in the April 2021 budget speech. The very sharp economic snap-back exposed the desperate underlying labour shortages that are now the new pandemic in Canada and western countries.

Some MPs may already dismiss what I'm saying. Not so fast—I urge every MP to read the magnificent evidence-based book by Globe and Mail journalist John Ibbitson and Darrell Bricker, CEO of Ipsos Reid, called *Empty Planet*.

Over the last 20 years or so, as we have become ever more concerned with global warming, there have been increasingly loud complaints by environmentalists and activists that the planet is skyrocketing towards 10 billion people—some claim 11 billion or 12 billion—yet in Ibbitson's and Bricker's own words:

> [A] growing number of experts are sounding a very different alarm. Rather than continuing to increase exponentially...the global population is headed for a steep decline—and in many countries, that decline has already begun.

These professional demographers, statisticians and mathematicians in leading research universities—not activist lobbyists—show that in almost every country in the world, and most certainly in Canada and the western countries, we are going to witness our population collapse to five billion people on earth. In plain English, this means that about 2.7 billion will vanish from the current 7.7 billion people on earth over the next 50 or 60 years.

The New York Times has regularly documented population decline such as, for example, in Japan, which is requiring the razing of homes, the destruction of homes, due to the lack of younger buyers. However, most MPs, government policy-makers and cabinet ministers advocate policies of yet more and more income support, as if this is 1972 all over again. What is needed is a complete change in what Max Weber called the Weltanschauung, or world view.

As former Liberal deputy prime minister Anne McLellan stated only yesterday in The Globe and Mail:

> I'm not one of those who says, “Oh, let's not worry about the deficit and debt.” You absolutely have to. And you have to worry about productivity and you do have to worry about investment. I [want] to see a [growth] narrative in the 2022 budget. What is the narrative to get us to 2030 and net zero [emissions] in 2050?

It is urgent that budget 2022 shift and pivot away from policies that unwittingly incentivize people to remain out of the workforce.

● (1110)

Examples are COVID supports without conditions to require recipients to seek and accept job offers, or policies that incentivize early retirement, before the age of 67 strongly advocated by the OECD.

Indeed, the Government of Canada needs to announce a root-and-branch exercise to review all social policies across the government, with the objective of identifying policies that incentivize people who remain outside the workforce or retire from the workforce before the age of 67 as recommended by the OECD.

In the words of Minister Freeland in budget 2021, “We are all in this together.”

Members of Parliament, it's now time to leave the 20th-century battles behind and start fighting the next war, which has already arrived, of massive labour shortages in Canada.

Why? To paraphrase Prime Minister Trudeau, “because it is 2022”.

The Chair: Thank you, Mr. Lee.

Now we're moving to Campaign 2000 and Ms. Sarangi.

Ms. Leila Sarangi (National Director, Campaign 2000): Hello, and thank you for inviting me to appear today.

My name is Leila Sarangi and I'm the national director for Campaign 2000, which is a coalition of over 120 organizations working to end child and family poverty.

Today I'll be highlighting several recommendations we've made in our budget 2022 submission and our latest child poverty report card, which found that more than 1.3 million children continue to live in poverty. That's nearly one in five kids, but the rates are much higher for indigenous children, racialized or immigrant children, children with disabilities and children in lone mother-led families, among others marginalized by systemic barriers. These families are living in deeper poverty, and inequalities are growing. While the national rate of child poverty reduced slightly in the last year, when we looked by province and territory we found that it actually increased in several of those subjurisdictions.

Today I'm going to focus on two areas, income benefits and child care, although we address many other essential areas in those documents.

The first is the need to budget for a full CERB amnesty. Funds that have been earmarked in the fiscal update to repay seniors who lost GIS must be released now. We've been hearing from seniors who've lost their housing, who are living in their cars, and who can't afford their food and their medications. Many have contemplated suicide because of this hardship, and too many have already lost their lives. We implore you on their behalf to pay an emergency $2,500 to those seniors now and to create a new $100-million housing fund to help keep all clawback victims housed.

The CERB has interacted with other federal and provincial benefits. In addition to losing GIS, people with low and moderate incomes have lost child benefits, worker benefits, GST credits, social and disability assistance, housing supplements and other provincial benefits such as those for energy and child care costs, which they depend on to get through these extraordinarily difficult times.

A full CERB amnesty would mean that all clawed back benefits would be returned, and it would mean a stop to pursuing low- and moderate-income individuals for repayments of pandemic benefits. It would ensure that pandemic benefits would not negatively interact with income benefits in this or future tax years. It would immediately increase the current lockdown benefit to $500 a week and maintain that amount until EI is reformed.

We also recommend using the Canada social transfer to ensure the adequacy of income programs by increasing investment by $4 billion and tying funds to adequacy standards, making sure that provincial and territorial programs are meeting human rights obligations.

Our last two annual report cards have found that the Canada child benefit is losing its power. It needs significantly more investment into the base amount so it can reach children who are left in deep poverty. Repealing the section of the Income Tax Act that ties eligibility to immigration status will enable access to people who have precarious immigration status but are considered residents under the Income Tax Act.

We support the recommendation of disability communities to speed up the design and implementation of the new federal disability benefit, and we recommend a federal disability benefit for children as well.

While the tax system is broad and ongoing activities to bring more people into it are important poverty reduction initiatives, it will never be a universal system. We need a parallel benefit distribution system that is federally funded and works with local charities in communities to get benefits to people who are outside the tax system. This kind of work is already happening informally across the country, and there are jurisdictions that have formalized programs around the world that we can learn from.

Lastly, on child care, a national system has the power to be transformational if designed with low-income families in mind. Our recommendation is a sliding-scale, zero to $10 per day model that reduces fees through funding of operational costs, not through an individual parental fee subsidy model, which we know from experience hasn't worked for families and doesn't actually reduce fees. Operational funding must also factor in decent wages for staff, and provincial and territorial wage grids will be an essential piece of that funding policy.

Thank you for your time today. I look forward to answering any questions.

● (1115)

The Chair: Thank you, Ms. Sarangi.

Now we're moving to Canada's Building Trades Unions and Mr. Sean Strickland for five minutes.

Mr. Sean Strickland (Executive Director, Canada's Building Trades Unions): Thank you very much, Mr. Chairman. It's a real pleasure to be here. Thanks to you and the committee for allowing us to present today.

My name is Sean Strickland. I'm the executive director of Canada's Building Trades Unions, part of North America's Building Trades Unions.

We represent 14 international construction unions with a combined membership of over three million unionized construction workers, of whom 600,000 are in Canada.

The women and men of the building trades are employed constructing everything from small projects to large, multi-billion-dollar projects right across Canada. The construction and maintenance sector annually represents approximately 6% of Canada's GDP. Skilled trades workers are often employed later in the operation, renovation, maintenance, and repurposing of plants, factories and facilities. Our members and contractors build it and maintain it.

We recommend that budget 2022 consider the following.

One, maintain investments in infrastructure that provide good middle-class jobs, and remove the clutter that currently exists between federal, provincial and municipal governments to make sure the money for infrastructure projects flows more smoothly and quickly.

Two, apply community benefits agreements on federal infrastructure projects that provide opportunities to under-represented groups and apprentices. Community benefits agreements must be included in all federally procured construction contracts. We need to do better than provide aspirational goals for the industry in order for us to provide more opportunities for more people.

Three, ensure a just transition for energy workers along Canada’s path to net zero. We all know that there will be much job loss on the path to net zero, especially for Canada's energy workers. We need to make sure the right kinds of supports and training opportunities are available so workers can position themselves for the new energy supplies of the future.

More details of each of these will be contained in our formal submission.

There is, however, one simple, long-overdue, critically important issue that must be included in the 2022 budget: a skilled trades workforce mobility tax deduction.

This deduction will end the inequity in the Income Tax Act that currently treats skilled trades workers unfairly compared to salespeople and professionals in other industries, who can receive a tax deduction for their work-related travel costs. It will also encourage labour mobility for building trades members and all construction workers who, unlike workers in other occupations, are often required to travel for work. Also, it will potentially save the government an estimated $347 million a year based on independent analysis that has been shared with several members of this committee and the government.

The construction industry is cyclical; projects are developed, built and completed in different locations at different times, requiring a mobile skilled trades workforce to travel to where the work is. When expenses aren’t covered by an employer, workers often have to pay out of pocket for travel expenses, costs that can run into the thousands. When trying to support a family, the extra expenses make it too expensive to travel for work, thus creating a barrier to labour mobility and unbalanced labour markets; often in Canada we have a surplus of construction labour in some areas while at the same time shortages in others. Currently, the Income Tax Act treats skilled trades workers unfairly. Other professionals can receive a tax deduction for the cost of their travel, meals, and accommodations when not covered by an employer. The same option is denied to skilled trades workers.

For example, someone selling rebar or conduit for the construction of a new building can travel and deduct the cost of their travel, meals and accommodations from their income, while the same option is unjustly denied to skilled trades workers, who have to travel the same or a greater distance and incur similar costs to actually install the rebar and conduit. Clearly, this is unfair.

Workers in the skilled trades will always have to travel for work. That’s why our members are called journeypeople. The tax system shouldn’t punish construction workers for their profession. CBTU and our 600,000 working men and women are buoyed and appreciative of this issue being included in both the Liberal and Conservative Party platforms and by the ongoing support of the NDP on this issue over the years. We are very hopeful that the inclusion of a tax credit in the Deputy Prime Minister's and Minister of Labour’s recent mandate letters will finally get this done, with one small change: construction workers need a tax deduction, not a tax credit. Why? A maximum credit of $600 will not provide enough of an incentive for workers to be more mobile. Depending on your total income, a tax deduction could provide tax savings of up to $2,000 or more, which will make it more attractive for a worker to travel to work. A deduction, not a credit, will level the playing field between construction workers and other workers.

It would also save the government money. CBTU commissioned an independent study that estimated that a skilled trades workforce mobility tax deduction could reduce reliance on employment insurance and increase government revenue to the tune of $347 million annually.

● (1120)

This is a simple and long overdue change to the Income Tax Act. It is in the best interest of the government, this Parliament, and all parties to support the inclusion of a skilled trades workforce mobility tax deduction in the 2022 budget to redress a current inequity in the Income Tax Act, provide reasonable incentives to improve labour mobility, help rebalance construction labour markets, and remove barriers for construction workers to travel, get to work and continue to build Canada.

Thank you very much.

The Chair: Thank you, Mr. Strickland.

Now we're moving to Canadians for Affordable Energy, with Mr. Dan McTeague, for five minutes.

Hon. Dan McTeague (President, Canadians for Affordable Energy): Mr. Chair, members, guests and witnesses, it's a pleasure to be here.

It's good see you again, Mr. Fonseca. It has been a number of years since we last commiserated, and a lot of water has gone under the bridge since that time.

Canadians for Affordable Energy is really the brainchild of the work I have done over the years on energy, not just in my previous jobs with GasBuddy or tomorrowsgaspricestoday.com, but also, of course, as a member of Parliament, where I led a number of initiatives dealing with the cost of energy and its implications on Canadians' finances. That affects everyone, whether it happens to be those on fixed incomes, those in the business sector, or students who are making their way into a most uncertain future.

Part of my message in being here today is really not one of providing guidance as to how the government should deliberate in terms of its expenditures, but perhaps borrowing from the past in terms of where I think the government may want to consider moving, and that's considering the dramatic significant increase in energy prices. Here I'm not only talking about gasoline or diesel prices, which are now at all-time records, but, of course, utilities costs, the ability for people to make ends meet in an unusually cold winter. Perhaps it's a sign of things to come, where we are seeing many people have to reach much deeper into their pockets, whether that be to heat by propane, for furnace fuel or for stove oil.

What we're seeing right across Canada is unusual. Perhaps it's not exceptional given what we're seeing in Europe today, but it's certainly an unusual spike in prices. If I go back just to the beginning of this year, Mr. Chair, the increase in energy prices now works out to about 14%. If one looks at, for instance, diesel prices, which are also a barometer for heating fuels and natural gas, on markets, we're looking at an increase that began at the beginning of the year at about $1.35 on average in Canada now pushing well towards $1.65. Ditto for gasoline at a time in which we're trying to come out of the COVID recovery. I think it's not lost on most of you as representatives, and you are getting some calls on this, but I would expect that there are some solutions.

I'll conclude very briefly, because I don't want to take up the five minutes. I want to hear from other witnesses as well as some of your questions. One of the tried and true methods has been to provide a rebate for Canadians. That is not a unique thought. The Liberals did it twice, in 2000 and 2002, in terms of an energy rebate. That is basically derived from the fact that as these prices go much higher, and are likely to remain high—not just because of carbon taxes but because of the dynamics in a market in which there is, obviously, a global shortage of oil and other important hydrocarbons—we're likely to see a scenario in which federal and provincial governments, through GST/HST, are going to be in receipt of a substantial windfall. I would think perhaps it might be best for governments to really strongly consider remitting some of that in the form of a GST rebate or other means.

I realize, of course, as well, that the government's finances are not exactly great emerging from prepandemic and pandemic expenditures, but as far as providing an impetus to growth and allowing for an orderly ascension from the COVID period, I think such an initiative would certainly be in order.

I also believe that governments may want to consider collectively for now what many other nations are looking at, and that is a moratorium on any future taxes on energy, whether it be electricity, natural gas, propane, diesel or gasoline. That would inevitably mean.... I'm, of course, making a big request here, because I know it runs counter to the narrative, but I think we would need to look at a moratorium on carbon taxes as well.

If we don't do that, and if we think we can rely on the idea that rebates will take care of it, I'm concerned about the inflationary effect this has and the secondary consequential effects this has. Whether you speak to farmers or those in the energy sector on all sides, you're looking at most admitting that the price and the cost of living is becoming, for many, unattainable. I think we all can agree, politics aside, that once you start messing around with the price of food, you have a much more serious problem on your hands.

I would suggest very humbly but very directly that one of the solutions to what I admit is a very complex problem would be to look at a moratorium on carbon taxes for now—on the increase in carbon taxes—as well as rebates to help Canadians defend themselves in a period and an era in which we are going to see inflation pretty much destroy the purchasing power of many.

● (1125)

I don't need to mention the fact that the weakness in the Canadian dollar, at a time of high energy prices, is something we have not witnessed in many years.

In fact, in 2014, when we saw oil pushing at $90 a barrel, the Canadian dollar traded within about 5%-8% of the U.S. greenback, which was important because we price all of our commodities in U.S. terms.

The fact that it now takes 127 pennies adds significantly to the cost of living for everybody, and is perhaps a hidden inflationary effect that I'm not sure statisticians are picking up when it comes to telling us what the inflation rates will be.

I'll leave that to the brighter folks out there, but in the meantime the two recommendations are ones that we believe would do well. They would prevent and lessen injury to the Canadian economy and to your constituents.

I look forward to your questions

[*Translation*]

in French and English.

[*English*]

The Chair: Thank you, Mr. McTeague.

We'll now move to the Etobicoke Services for Seniors. We have Ms. Alison Coke, chief executive officer, for five minutes.

Ms. Alison Coke (Chief Executive Officer, Etobicoke Services for Seniors): I want to thank you for the privilege of speaking to this committee and use this opportunity to provide insights into the roles of home and community care agencies, like the one I represent.

Etobicoke Services for Seniors, like so many other home and community care agencies, supports seniors, adults with disabilities and their caregivers.

I have learned, from both personal and professional experience, that what agencies like mine do is not well understood. Too often, it is only when families are in crisis that they seek our support. Had they been aware of our purpose and the kinds of programs and services we offer, so much human suffering and economic cost to our health and long-term care system could have been avoided.

For these reasons, I am asking this committee to support a public education campaign to raise the awareness of all Canadians about the home and community care sector, specifically what we do and why we do it. We are out there with the specific goal of helping seniors, adults with disabilities and their caregivers live as well as possible, for as long as possible and as independently as possible in their own homes and communities.

The many services we provide, such as adult day programs, transportation, overnight and in-home respite care, assisted living support, and health and wellness, are aimed at achieving three outcomes: to provide information and knowledge, to combat isolation and to build networks, connections and communities.

Many folks thrive through their golden years, but as time passes, each of us will experience losses. While this is no surprise in the abstract, the experience is far from academic. With age, the risk of economic insecurity, the risk of failing health, the declining physical and cognitive capacity, and above all, the risk of loneliness, all rise.

● (1130)

Home and community care agencies understand these risks and, in partnership with clients, implement programs to address them. The relationships we build with our clients often span decades, sometimes 30 years. They grow old with us. The first contact may be through fitness and wellness check-in calls, but by intentionally staying in touch with clients and their caregivers, we learn of their changing needs and circumstances. Do they need transportation to the barber or to a doctor appointment? Would they benefit from gathering socially for meals or recreational events? Could their personal health situation mean that they need in-home or 24-7 respite care or adult day programming?

Many Canadians simply do not know about the home and community care sector and that these kinds of services are what we provide. Because of this, when such supports are needed, they don't know who to turn to or how to access them. There is a real need to fill this knowledge gap, and a campaign to raise awareness about what home and community care agencies do and how to access them would help so many in three main ways.

Canadians need to know that we are there to provide information and knowledge. I suspect that many of you have or are now supporting aging relatives. When I experienced this with my own parents, I had no idea what they were going through. More troubling, I had no idea where to turn for help. The system was fragmented with, as the baseball saying goes, no one seemingly on first. I know that many people are now or have had this same experience.

For example, recently I received a call from a person with a long history of activism on behalf of seniors. She was anxious because her doctor advised her that she would be discharged almost immediately after an upcoming operation. While very capable, she lived alone, and she knew she would not be able to take care of herself after the surgery. I told her about our 24-7 caring centre, where she would have a private room, all her meals, assistance with showering and dressing and staff happy to sit down to enjoy a cup of tea or to simply chat. If this truly well-informed person did not know about this service, what are the chances that so many others with less connection because of language and other barriers would know that such help is available?

Many of you with seniors in your lives are in the same boat. You need to know where to get help for your loved ones. Just when you need it most, where do you start? People need to know that this kind of help is available before they face a crisis. Providing this information is a key role that home and community care providers play.

Second, we are there to combat the social isolation that so many seniors, adults with disabilities and their caregivers experience. At the best of times, aging can be very isolating. COVID raised this to a whole new level. One example of how our agency met this challenge was by launching a food security program. As soon as the pandemic was announced, all our group programs were suspended, and all the staff involved in these programs shifted to a new mode of operation. Every single one of our clients got calls every week. Again and again, we heard how difficult it was for folks to access food and essentials. In the first few weeks, conversations were short—"we're fine"—but over time, they got longer. Fear of taking public transit and their physical frailty prohibiting them from carrying heavy grocery bags any distance were among the barriers they faced.

As more closures occurred, the demand for rides in our vehicles declined. We had vehicles and staff available as never before, so we launched a grocery program, asking our clients and caregivers to call us with their lists. We placed their orders with a No Frills partner and packed the bags. Our staff picked up and delivered these groceries to their doorsteps. Today we have completed over 1,500 grocery deliveries.

Because we knew that food insecurity challenges extended well beyond our client base into the community at large, ESS teamed up with others to meet this need. Unprecedented inter-agency collaboration occurred. For example, through a partnership with Toronto Community Housing, we helped deliver prepared meals and food hampers.

The Chair: Thank you, Ms. Coke. That was great. You're going to have a lot of opportunity during question time to elaborate on many of those programs. Thank you so much.

We are going to move to Festivals and Major Events Canada. We have Mr. Martin Roy up for five minutes.

● (1135)

[*Translation*]

Mr. Martin Roy (Executive Director, Festivals and Major Events Canada): Good morning, everyone.

FAME, the Festivals and Major Events Canada coalition, and the Regroupement des événements majeurs internationaux, or REMI, represent over 500 festivals and events in Canada.

We rejoiced greatly when the 2021-2022 budget was tabled; we believed that the nightmare of COVID-19 was about to end and that the funding would repair the damage done. Yet, one year later, we are still here asking you to intervene.

The Major Festivals and Events Support Initiative, or MFESI, this new program with a budget of up to $200 million managed by the regional economic development agencies, is not delivering on all of its promises.

The main problem is that this program took more than six months to receive its first applications, and gave its first responses to festivals and events eight months after the budget, so that this two-year program has effectively become a one-year program and only covers one series of festivals, the 2022 series. We missed the 2021 edition. I therefore implore you to recommend that the end of the program be deferred from March 31, 2023, to March 31, 2024, so as to cover the summer of 2023 and a second series of festivals.

The other problem we see is that this program is too restrictive. By choosing to limit access to festivals with annual revenues of more than $10 million, the government has restricted its accessibility to 25 Canadian festivals taking place in three or four Canadian provinces.

This choice has also resulted in a huge imbalance between the help given to large events, through MFESI, and that which is set aside for other festivals, those with revenues of less than $10 million per year. There are about a thousand of them supported by Canadian Heritage and together they can count on much less than $200 million.

The fact is that this $200 million announced for local festivals is also used for community cultural organization events, such as outdoor theatre presentations, heritage celebrations, local museums and sporting events, and much more, according to the budget itself. At the end of the day, there is very little funding left for festivals and events relative to their needs, relative to the scale of the disaster in our area and relative to their numbers too.

To distribute the money in the budget, Canadian Heritage chose to establish a Recovery Fund for Arts, Culture, Heritage and Sport Sectors, and a Reopening Fund for Heritage Organizations. Ten months after the budget, the Reopening Fund for Heritage Organizations, which is part of the Canada Arts Presentation Fund, is not available. We are talking about $25 million. Festivals still have no idea what they will be able to submit, or even when, four or five months before the start of the season, almost a year after the budget. At the rate things are going, it's predictable that they'll get answers at best just before their event, if not during their event or even after, which is unacceptable.

Last year your committee advocated supporting the arts, culture, tourism and hospitality sectors with additional financial support for their revenues until the restrictions of COVID-19 could be safely lifted. We are counting on this. Everything needs to be extended, with pro-rated envelopes and adjustments. This includes the Reopening Fund for Heritage Organizations and the Recovery Fund for Arts, Culture, Heritage and Sport Sectors at Canadian Heritage, the Major Festivals and Events Support Initiative, and of course the measures included in Bill C-2

We believe that if the MFESI is extended, the same could be done, that is add $100 million to the $200 million, while expanding the program to smaller events, to help not 25, but several dozen in year 3 of the program.

Last July, I sent your committee recommendations that touch on the normalcy of the sector in a brief, because at that time we were seeing a return to normalcy. I will be able to clarify my thoughts on this later. In general, even without a pandemic, it has to be said, things are not getting any better. We have members who are now receiving less support than they did in 2018, and yet in 2019 the government reinvested 25% to 40% in the two programs that assist the festivals.

In closing, I also stress the need for Economic Development Canada and the economic development agencies to create a complementary program to support festivals and events, given their contribution to tourism and the economy, especially festivals and events that are not cultural and are not supported by Canadian Heritage. This program should contribute $25 million per year. There is a whole category of festivals that are not currently supported. COVID-19 showed us how vulnerable they are. Our friends at the Canadian Association of Fairs and Exhibitions, or CAFE, also support our request.

• (1140)

Thank you.

[*English*]

The Chair: Thank you, Mr. Roy, and all witnesses, for your opening remarks. We are moving now to our first round of questions by members. The first round is the six-minute round. That means each party will have up to six minutes to ask their questions of witnesses.

We're starting off with the Conservatives, and Mr. Chambers is up.

Mr. Adam Chambers (Simcoe North, CPC): It's nice to see everyone here today. Thank you so much for taking time out of your day to spend with us here at committee as we think about recommendations for this year's budget.

Professor Lee, thank you for your opening comments. Our government points to some strong economic growth that we've seen in the second half of this year, and frequently reminds us that we've recovered most, if not all, of the jobs that were lost at the beginning of the pandemic. The Bank of Canada has a growth outlook for 2022-2023 that is reasonable, and it says we're operating near capacity.

Given what you've seen from the current government in past budgets and what we know is to come with another hundred billion dollars in additional deficit spending, would you say we're on the right path economically?

Dr. Ian Lee: I'll be brief. I thought that the policy of the government providing income support from the beginning of COVID in March 2020 was completely appropriate. We were in this massive crisis. We didn't know where it was going. We didn't know how lethal it was and so forth. We all know the story.

However, since then, everything is dynamic. Economies are dynamic. The facts are dynamic. As the Parliamentary Budget Officer, who is non-partisan, said only five or six days ago, there's no further justification, and we have to pivot. I know I'm sounding like the hedgehog, with only one big idea, that the world keep populating, but the data is overwhelming. We have a shortage of almost a million jobs, and let's be clear about what that means. There aren't enough people in long-term care homes to look after, yes, older people like me one day, if I get there. We have shortages and yet—and I say this with the greatest respect to MPs, because I think you have an incredibly challenging job—we have to pivot. It's not 1972. I've known 1972. I joined the workforce in 1972 and it is not 1972. It's not 1982. It's not 1992. We have massive job shortages and we're only at the beginning. We're not at the end. We're looking at 30, 40 or 50 years. Every serious demographic forecast by serious demographers in top-notch research universities says that these shortages are only going to get worse and worse, and we all say we'll solve them with immigration.

When other countries wake up and start to realize they have the same crisis, you're going to see countries restrict—and in the authoritarian, totalitarian countries, they're going to prevent—people from leaving their countries to go off to Canada so we can solve our job-shortage problem.

I'm saying, then, that we have to pivot. We have to adopt, as former deputy prime minister McLellan said, not only a growth agenda but also a focus, I think, on all hands on deck. We have to get everybody into the workforce that we possibly can, and I hope you look at what the OECD has been recommending for years. They said we're living longer and longer, yet we have retirement policies as if we were back when life expectancy was 60 or 65, but it's not that any more. It's in the 80s and it's increasing.

Therefore, we have to look at our policies on minimum retirement age. We have to look at making sure every income support program.... Of course, support people who need help, but tie it to a requirement that they must be seeking employment. We need all hands on deck in this economy.

Mr. Adam Chambers: You mentioned the need to spend at the beginning of the pandemic, and you've also talked about the narrative or the justification for some of the spending that we saw. Of course, there were individuals who were devastated, parts of the economy unable to survive, people unable to provide for their families, but isn't it also true, according to some of the StatsCan data we've seen, that we spent a lot more than we needed to, in terms of a targeted approach, that we actually spent much more broadly than we needed to, to help people through the pandemic?

• (1145)

Dr. Ian Lee: That's the position I've said publicly in my various media interviews, and I have looked at the data very closely.

Just very quickly, the OECD, which is absolutely top-notch and impartial, showed that only two countries.... It was remarkable when you looked at the data. The PBO reproduced this data, I believe, or else it was the Bank of Canada in its MPR. Only two countries in the west saw GDP go down and income go up. One was Canada. The other was the U.S.

Normally, when you have an economic collapse, GDP goes down and national income goes down. We had this remarkable—I've never seen it in my lifetime, ever, studying economic data—GDP collapse, because we shut down the economy, and incomes went vertically north. GDP went south. Incomes went north. If you look at Germany, which is not a shabby country but a very progressive country, or at Sweden, France or the U.K., GDP and incomes went down, and they were pumping lots of support into the economy.

In other words, what I'm trying to say is that of course we needed to support people, but I think we supported companies and people who didn't need support when we could have gone on a far more targeted approach to target the most vulnerable members of society as opposed to people in the middle class or upper middle class.

Mr. Adam Chambers: Just quickly, in my last 10 seconds, is now the time for new government spending?

Dr. Ian Lee: I don't believe so. No. I don't believe so. The income support is no longer needed.

The Chair: Thank you, Mr. Chambers.

We are moving to the Liberals.

Mr. Baker, you have six minutes.

Mr. Yvan Baker (Etobicoke Centre, Lib.): Thank you to all of our witnesses.

I'm going to direct my questions—unsurprisingly, I suspect, to many of my colleagues—to Alison Coke from Etobicoke Services for Seniors.

Ms. Coke, first of all, I want to express my thanks to you for the important work you do on behalf of seniors in our community in Etobicoke Centre and throughout Etobicoke and beyond. I have to tell you that when seniors or their children or grandchildren reach out to me or my team about health care needs, I very often rely, as I think you probably know, on Etobicoke Services for Seniors to do all that they can, and that you and your team always do. I don't know what we would do without you. Thank you for the service you're providing to seniors and others in our community.

During your presentation, you got cut off just because we ran out of time. Before I go into my questions, was there anything else you wanted to add that you didn't get a chance to say earlier?

Ms. Alison Coke: Yes. Thank you so much. I wanted to emphasize the third point. To be fair, I'm speaking for a community that doesn't necessarily have a strong voice. I really don't want to lose the opportunity to talk about what else we do on their behalf.

The third thing we do is build communities. Seniors and adults with disabilities are among the most marginalized members of our community for so many reasons—their age, cultural exclusion, poverty and health circumstances. The best way to help them overcome these barriers is to support them in building relationships and making connections. We do that with our caregiver support program, for example, bringing people together who are caring for adults with Alzheimer's or dementia, giving them a chance to share their struggles and get ideas from others in similar circumstances. It brings them relief and a chance to make friends with others who truly get it. They are silently suffering out there. This is terribly important work.

Another example of community development is our Daystrom program in north Etobicoke. Many people living in this area are newcomers, too often disconnected from services and supports because of language and culture. We hired a person with the ability to speak in their languages. It is one of the happiest programs. I have to tell you that when I go to meet with these folks, they always blow me away. Even though English may not be their first language, it is clear from their faces how much they love just being together. They have continued to meet virtually every week, something we've made sure they can do. The best outcome is that they've stayed connected.

With luck, we will all grow old. You and I are all travelling the same path. ESS's mission, and that of so many home and community care agencies, is to keep folks on the path in their homes and communities, catch them if they falter or lose their way, and hold their hands through the process. However, as I stated at the outset, too few people know that such agencies exist and how we can help.

How can we help before they're in crisis? Can you help raise their awareness of the home and community care sector, increasing their chances of living healthier, longer and more independent lives in their communities? If they knew where and how to access our supports, the opportunity to reduce the human and economic consequences of isolation and premature and unnecessary admission to acute and long-term care would be so much greater. I cannot think of a more valuable public service that you'd be providing.

Thank you so much for allowing me the opportunity to speak to this issue.

● (1150)

Mr. Yvan Baker: Thank you very much, Ms. Coke.

We have just over two minutes left of my time, so I'll ask a couple of questions, time permitting.

You've advocated in your presentation for a public awareness campaign, which is a very pragmatic and thoughtful recommendation, one that allows people to be aware of and then navigate and access the services you provide that are all so important. I think we would all agree with that. You're not the only one doing this; there are agencies like yours across Canada that touch the ridings represented by the members here and others.

If we were to do that, if seniors and their families were to become much more aware of the services that you and others provide, I suspect we'd have increased demand for those services. Are there adequate services available? Is there adequate funding out there?

I realize health care is largely provincial jurisdiction, but is there enough funding out there to provide the services we need to provide to seniors?

Ms. Alison Coke: I'm going to come at that in two ways. I believe we have the capacity to expand, and part of the reason I believe that is the enormous number of volunteers who would be willing and happy to step up and support us. For example, I am speaking to a men's group at church tonight, with 100 people. They want to know how to volunteer.

If they could come out and help us with our food security support or do wellness check-ins, I believe there are people out there who truly understand how much need there is to serve seniors.

Yes, we would have to be extremely creative about going for funding to help us target the needs that seniors have. We haven't gone after money for food security. We have a food bank program going that we never had before.

I think there are opportunities to make the case, if only because the cost to the long-term care system and the acute care system of not doing so and the cost of human suffering just means that you have to do this work.

Mr. Yvan Baker: It does, and I think I'm out of time. Thank you very much, Ms. Coke, for being here today.

Ms. Alison Coke: It's a pleasure.

The Chair: Thank you, Ms. Coke and Mr. Baker.

We're moving now to MP Ste-Marie from the Bloc, for six minutes.

[*Translation*]

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

Good morning, everyone.

I thank all the witnesses for their presentation. This is certainly a most interesting group of witnesses.

My questions will be directed to Mr. Roy.

Your presentation contained a lot of material. I hope that we can address in more detail all the points that you have raised. I would first like to know how the festival and events industry is doing on the ground after two years of the pandemic.

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

I'll give you some figures. In the first year of the pandemic, the turnover of REMI members, the Regroupement des événements majeurs internationaux, in Quebec, fell by 68%. Our self-generated revenues come from tickets, food and beverage sales and private sponsorships, among others. These revenues have declined by 89%.

As a result, we consider grants, whether from Quebec, the provinces, territories or the federal government, to be our lifeline. Without the specific and, I would say, fairly horizontal support that we have received, particularly through the wage subsidy, many festivals and events would be dead and buried today.

We live in hope of resuming our traditional business models as early as this summer. We are waiting for a clear signal in this direction from the various public health branches. We know, for example, that Ontario has presented a fairly precise schedule for the lifting of restrictions, which is not the case in Quebec. This is what we are asking the Quebec government to do also.

Mr. Gabriel Ste-Marie: You have not generated any independent income for almost two years. Without support measures, the industry would appear to be in mortal danger.

You talked about the very long delays associated with the Major Festivals and Events Support Initiative. You are asking us to recommend that the end of the program be deferred to March 2024 so that it runs for two years, not one. Is this correct?

● (1155)

Mr. Martin Roy: Absolutely.

Originally the program was supposed to last two years, but actually it took almost a year to set up and six or eight months for responses to be provided. So for events and festivals, there is only one edition left. What we are asking you to do is to extend the program by one year, which can be done at zero cost. Of course, if you can add resources and extend it financially, we suggest that you do so. You could also make the program more accessible and thereby significantly increase its impact.

Generally speaking, I hear people calling for an end to income support measures. I've heard that here too. I want to stress the importance of supporting the cultural and tourism sectors and the people who work in them. This support is essential. There is no magic wand that turns directors and actors into nurses or personal support workers. It doesn't happen overnight.

I therefore stress the importance of these measures and the importance, by the same token, of retaining expertise in the performing arts sectors, because once the pandemic is over, we're going to want to have resources and trained people so that we can finally return to a normal cultural life in Canada.

Mr. Gabriel Ste-Marie: In fact, the whole cultural sector is a key industry. It is absolutely necessary to preserve this expertise.

We are well aware that you were the first victims of the pandemic. You were the first to close your doors and you will probably be the last to reopen them. I look forward to your full return to your events.

You point out that one of the support programs is too restrictive, as it only targets festivals with annual revenues of $10 million or more. As for the other component for smaller events, the assistance it provides is too diluted, since it targets all cultural events, not just festivals.

Can you remind us what you are suggesting to the committee?

Mr. Martin Roy: Of course.

The budget contained assistance for the large festivals, on the one hand, and there was other assistance for the smaller events from Canadian Heritage. At that time, the budget did not provide a definition of a large festival or a small festival. It took a few months before the government decided that large festivals were festivals with annual revenues of over $10 million. We recommended that the threshold be much lower, because in reality there are only about 25 events in Canada that have that kind of annual revenue. You know who they are; they're the big festivals. For the smaller festivals, the assistance is extremely diluted. At Canadian Heritage, there is a large envelope of $200 million, but it is used for just about everything, and there is a much smaller amount allocated to festivals.

In reality, COVID-19 amplifies the funding problem on the festival side, because before the crisis, things were already not going well. Programs were frozen for over 10 years and there was no new investment. In 2019, there was a new two-year investment, which was then extended for one year in the 2020 Fall Economic Statement, and then extended again for two years in the budget.

What we'd like to do is get it over with and make these investments permanent. There's no reason to do it one year at a time. So that's another one of our recommendations, to make these investments in the programs permanent, that is, the Canada Arts Presentation Fund and the Building Communities Through Arts and Heritage program.

Mr. Gabriel Ste-Marie: That's very clear, thank you.

Mr. Martin Roy: Thank you.

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

[*English*]

We will now move to the NDP, and Mr. Blaikie, for six minutes.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Ms. Sarangi, you were speaking earlier about the seniors who have been affected by a clawback on their guaranteed income supplement of CERB benefits. I know we're here to talk about pre-budget submissions. The government talked about spending money in May or June of this year. However, in your opening comments you talked about how inadequate that was, and the need for something to happen much sooner. You mentioned a one-time payment to those seniors, and perhaps also some assistance, some kind of housing fund, to try to get those who have been evicted back in their homes.

We have a number of Liberal members on the committee. Could you take a bit of time to impress upon people why it's such a matter of urgency that the government act now as opposed to in May and June?

● (1200)

Ms. Leila Sarangi: We've actually been writing to all elected members since the summertime, when seniors first opened the GIS cheque or got a letter that surprised them to say, you don't have GIS this year, or your GIS has been drastically reduced. Seniors have been going since June of last year without that supplemental income and these are—as you all are well aware—the lowest-income seniors. They're the most vulnerable in our communities. They are people who are over 65, who've worked hard their whole lives, who are still forced to work even though they should be retiring. They're in precarious, low-wage jobs where they're serving our coffee or giving us advice in the grocery stores or the home gardening stores.

They didn't have income supports to fall back on. They didn't have something in their bank accounts that they could fall back on. They have been trying to make ends meet since last summer. Over time it is getting worse and worse, and for months now I have been receiving calls and emails in desperation from people who have been evicted in the middle of this winter, living in their cars in the Northwest Territories. There's somebody in Nova Scotia who sold her small business to try to get extra money, and then was taxed and didn't end up with anything extra. There are people who have been sending me their doctors' prescriptions for their medication. They have $1,300 a month to live on right now, and they've got these prescriptions and they can't afford their medications. There are others who are emailing me about their neighbours, one of whom has committed suicide and another lost their life because they couldn't access medication. Our partners who work in food banks are seeing people they've never seen before. Seniors are moving in with their adult children and putting pressure on those families, who are raising their own children.

Other legal clinic partners are accompanying seniors in online rent tribunals where seniors are being evicted over Zoom calls. This is devastating. What is happening in our communities is devastating, and it's happening in your ridings across the country. It's such a deep issue and a small amount of the budget. If there was an immediate emergency payment of $2,500, in the same way that CERB was released quickly.... These people are in the system. The money is earmarked. When they're calling me and asking me when the money is coming and why it hasn't come yet, I don't have an answer, because I really don't know.

Mr. Daniel Blaikie: Thank you very much for putting a human face on what, on Parliament Hill, too often devolves into a conversation about figures and about bureaucratic processes. What gets lost in there is the fact that there are people right now who are losing their lives or having their lives damaged irreparably because we're not providing assistance quickly enough.

It adds insult to injury to know that the government was aware of this problem at least as early as May of last year, which would have been enough time to do something about it, but its position initially was that there was no reason to do anything. It wasn't until well after the fall election that the government got wise to the fact that this would have serious implications for people, and I'm certainly hopeful that we'll see action before the budget.

Thank you for that.

With the one minute I have remaining, I'd like for you just to speak a little to.... The NDP has talked a lot with Campaign 2000 about the need for a low-income CERB repayment amnesty, and it's something we don't hear a lot about on Parliament Hill except when the NDP's raising it. When we talk about the economic side of that, I just wonder if you could speak to how much government can really expect to get back from folks who can't afford the debt burden that the government is putting on them? How much money do you think government could reasonably expect to recover from folks who already live below the poverty line and took the government at their word and applied for help when they needed it?

Ms. Leila Sarangi: Nothing, pennies maybe, in comparison to the amount that the federal budget is. We're talking about people who live on $700 a month if they're single or $1,300 a month if there's a couple. There is no extra $10 a month to make these kinds of repayments.

The kind of hardship and stress that puts on individuals and families, to be saddled with $14,000 of federal debt, is very scary and puts a lot of unnecessary stress on families that are already struggling to make it through their days, to make sure their kids have something in their stomach before they go to school, to make sure that they can afford some new clothes or keep the lights on and keep a roof over their heads.

No, they're not going to make any money back.

● (1205)

The Chair: Thank you, Ms. Sarangi and Mr. Blaikie.

Members, we're now moving into round two. In this round we have the Conservatives up first.

Mr. McLean, you have five minutes.

Mr. Greg McLean (Calgary Centre, CPC): Thank you, witnesses, for all the time and input you're giving us today on these important deliberations.

My first questions will be for Dan McTeague from Canadians for Affordable Energy.

Mr. McTeague, you talked about proposing a rebate for Canadians, or a remit from their taxes, on the increase in energy. I'm a little confused with that. I'd like you to explain it a bit, please. The way the government has actually sold its carbon tax to Canadians is that there already is a rebate to those Canadians who need it—a wealth redistribution mechanism, if you will.

Can you comment on why we might need more of the same, if that's actually the proper way to do it, as opposed to just reduce the carbon tax?

Hon. Dan McTeague: That's a very good point.

The carbon tax, of course, in many provinces, mine included here in Ontario, increased 10¢ a litre with HST in a period of 22 months, well beyond what would otherwise be an inflationary factor. We also know that the increase in the price itself, more than the carbon taxes but the actual increase in prices of gasoline, diesel, natural gas and heating oil, is affecting many parts of the country. Fully about three-quarters of Canadians who'd be caught by this, including those on fixed incomes, have seen prices go, from an average of about 65¢ or 70¢ a litre for diesel gasoline in 2020, at this time of year, so back to the beginning of the pandemic, to $1.13 a litre last year, and now $1.55 or $1.60.

In that period of time, beyond carbon taxes having that direct higher-than-inflation impact, you have a much higher price on which the federal and provincial governments take 5% at the federal level and anywhere from 7% to 9%, depending on the province and the further east you go into the Atlantic provinces. That's a windfall of money that I suspect will contribute to the hardship of Canadians as they try to struggle to get back on their feet. You don't have to take my word for it. MNP debt solutions says that over 40% of Canadians are less than $200 away from calling it a day financially.

Mr. Greg McLean: Thank you, Mr. McTeague. Let's move on. I hear what you're saying there.

I agree. The whole issue of the carbon tax, when we applied it to a $60 barrel of oil, was more or less the equivalent of pushing it up to a $95 barrel of oil, thus trying to equate the transition to other forms of energy in making those economic. However, now we have a $90-plus barrel of oil. We're obviously going to be paying more for oil and the products that come from oil. In addition to the carbon tax, we have an escalating tax on top of just our energy tax.

I'm glad you talked about the impact on the price of food, because that is fundamental here. For failing in our food production and our food provision to Canadians, we are failing very much as a nation. This tax, particularly the clean fuel standard tax, which is in addition to the carbon tax, will provide more of an inflationary effect upon the production of food. Can you comment on that, somewhat?

Hon. Dan McTeague: Well, look, it's already a serious situation. We're just emerging on the food side, with fertilizers now being double the price. That may not just be a question of scarcity. Urea and nitrogen are both products that are derived from hydrocarbon. It looks like our farmers are scrambling for product and hoarding or keeping whatever they have. "Hoarding" would not be the right word in this case; they're trying to protect what they have for this year's planting season. That would mean, of course, inevitably higher prices for anything.

As the carbon tax makes its way throughout the economy, much of it is not shielded. Much of it is widely compounding the cost of living, well beyond the simple rebates that people receive. When it comes to food, though, the totality of the increase in the price of that which we cannot take for granted is something that most of us have no argument with. As you increase the cost of transportation, input costs for processors, input costs, whether it's over output-based prices...it's creating a problem.

● (1210)

Mr. Greg McLean: Thanks, Mr. McTeague.

I have one more question here. The oil and gas companies across Canada have provided excise taxes, sales taxes, income taxes, municipal taxes and royalties totalling over $500 billion to Canadian treasuries over the past 20 years. In your mind, does this constitute a subsidy to the oil and gas industry?

Hon. Dan McTeague: The question is often asked. It's not a subsidy—they pay far more than they could ever possibly receive—unless you're talking about a subsidy that every single business in this country gets.

I'm not a big fan of the oil companies. I took them on when I was an MP, but I never stood to try to kill that industry, because I know how important it is for every social program in this country.

The Chair: Thank you, Mr. McTeague and Mr. McLean.

We're moving to the Liberals and Madame Chatel for five minutes.

Mrs. Sophie Chatel (Pontiac, Lib.): I have a question for Mr. Lee. I'm very glad that he supports the independence and skill of the OECD. I was there for four years before the election.

The OECD agreed that it was important to take unprecedented action to preserve the workforce, but now we're moving towards building resilience in the workforce, and that's very key. The OECD has three proposals.

The first is to help those in need while encouraging firms to move off subsidies and workers to shift to viable jobs. The second is to ensure that firms use public support effectively to keep or create jobs, for training and for retaining staff. The third is to make the labour market resilient by investing in people, health and environment.

Mr. Lee, would you say the OECD is right in those three recommendations, moving forward?

Dr. Ian Lee: I've been using the OECD in my courses since I started teaching 34 years ago.

I want to be very clear. I've never advocated saying that we shouldn't be spending on income support.

I just looked up a number very quickly, because I anticipated this question. This is from StatsCan 2019, pre-COVID, when three-fifths of total federal, provincial and municipal spending went to social protection, health care and education. Three-fifths is a huge amount of money. It was over $500 billion. That's pre-COVID. I'm not suggesting that we stop spending on income support or health care. We have a long history, as we all know, going back to the sixties, when we developed medicare, CPP and so forth. That's not the issue when you say, “Oh, you're against income support.” We've been doing it. The employment insurance program was passed in 1935. We all know that.

What I am arguing is that we have to tie the support, which has been in the Employment Insurance Act from the very beginning of our country, and with strong support across Canadian society.... It's that you have to be looking for a job, and you cannot turn down a job in your wheelhouse of experience or where you live.

That's all I'm really saying, because we have a million vacancies in Canada and we can't build a strong economy if businesses don't have enough workers to function, so I'm in agreement with the abstract principles of the OECD.

Mrs. Sophie Chatel: I have two other questions for you. Thank you.

I think immigration is indeed very important. In refugees, for example, we have very talented workers there. Thank you.

On the senior tax credit that is in the mandate letter of the Minister of Finance for seniors who remain in the workforce, what I've heard is that we need to do more to maintain our seniors in the workforce, if I understand correctly. Just a yes or no, please.

Dr. Ian Lee: Absolutely: We have to keep more people in the workforce past 65, yes, if they're healthy and able.

Mrs. Sophie Chatel: I have a question for Mr. Strickland, if I have time, Mr. Chair.

You mentioned the tax credit. I have just a quick question. These are for employees, so I'm again a bit surprised about why our employers do not support or cover those fees, Mr. Strickland.

● (1215)

Mr. Sean Strickland: It is for employees. In some cases, employers do cover those costs. That's largely on large, multi-billion-dollar, resource-based projects. Oftentimes, the nature of the construction business is that it's a low-margin, high-volume business, and it's very difficult for contractors in a competitive environment to absorb those additional costs and win a project. That's why it's important to put this tax deduction into place to encourage workers to go to where the work is.

Mrs. Sophie Chatel: If I have time, I just want to confirm that this is a real problem in rural areas, because they have skilled workers. If they don't have the expenses to go to another area, then they might not go.

Could you confirm that this is particularly important in rural areas, Mr. Strickland?

Mr. Sean Strickland: Absolutely, 100%. It's important in rural areas, and it's important in urban areas. I can cite many examples within provinces, from rural to urban, and across provinces, where the lack of this tax deduction proves to be a real barrier for worker mobility.

Workers often will make the decision to stay at home and not go to work. If this deduction were in place, it would encourage them to go where the work is.

The Chair: Thank you, Ms. Chatel.

We're moving to the Bloc, and Mr. Ste-Marie, for two and a half minutes.

[*Translation*]

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

Mr. Roy, you told us that one of the problems is that the programs are voted for one or two years and they are not recurrent. It would be simpler to have recurrent and predictable support programs, with an increase that takes account of inflation. However, during your presentation, you also said that funds are voted, such as the Recovery Funding for Professional Arts Presentation Organizations, and the Reopening Fund for Heritage Organizations, if I understood correctly. The funds are voted, but they are still not accessible and we still don't know the criteria. Could you tell us more about that?

I guess we have two minutes left. I'm listening.

Mr. Martin Roy: First of all, I would like to make a distinction between COVID-19-related programs and regular programs. The problem we are currently experiencing is with the Major Festivals and Events Support Initiative, which has been voted and is very ad hoc and focused on reviving the festivals and events sector. We don't necessarily work on a year-by-year basis, but rather on a festival or event-by-event basis. While there were originally supposed to be two editions of the program, there is now just one, as it took eight months to set up.

In the case of the Department of Canadian Heritage's regular programs, the problem is not that the programs are not permanent. They are, but the new investments are done on a piecemeal basis and are not currently assured beyond 2024, because they opted for an annual approach. So the problem is really about the duration of the programs.

Mr. Gabriel Ste-Marie: Thank you.

In your presentation, you talked about all the festivals and events that are not cultural, so they are not currently supported. Could you expand on this idea?

Mr. Martin Roy: Yes, of course.

In general, the problem at the moment is the approach or philosophy of the federal government, which views festivals and events first and foremost as cultural events. In many cases these festivals are indeed cultural events, but not always. The real common denominators are the economy and tourism, because even if not all events are cultural, they are all tourism-related or economic. In some provinces and territories, this is well understood, particularly in Quebec, where festivals are mainly supported by the Ministry of Tourism. At the federal level, events are supported by the Department of Canadian Heritage. So that leaves a whole category of festivals and events, whether they are sports or pure entertainment like fireworks competitions or events...

The Chair: Your time is up.

Thank you, Mr. Roy and Mr. Ste-Marie.

Mr. Gabriel Ste-Marie: Thank you.

[*English*]

The Chair: We're moving to the NDP, and Mr. Blaikie, for two and a half minutes.

● (1220)

Mr. Daniel Blaikie: Mr. Strickland, we've been talking a bit about the proposal to ensure that tradespeople get fair treatment under tax law, like others who have the ability to make deductions or receive a tax credit when they move for employment.

You mentioned in your opening remarks that this is something that New Democrats have supported for a long time. In fact, in the last Parliament, Scott Duvall, who was then the MP for Hamilton Mountain, worked arm in arm with the building trades to prepare a private member's bill that subsequently has been reintroduced by my colleague, Matthew Green, from Hamilton.

Could you take a moment, and I know you did this a bit, to illustrate what the current provisions are for other types of workers, and why it is that tradespeople, even though they may be employees—although sometimes they're independent contractors—should have that equal treatment in order to be able to go where the work is?

Mr. Sean Strickland: Absolutely, we are appreciative of the long-standing support of the NDP on this issue.

For us, the inequity is quite simply.... The example that I provided in my opening remarks is quite illustrative. I live next door to someone—let's say hypothetically—who is a salesperson selling conduit, the kind of PVC material you run wires through. You'd be familiar with that. My neighbour travels some distance to sell this conduit to a job site and is able to deduct their travel per kilometre, their meals, if they have any, and their overnight accommodation, if required. I am a tradesperson who installs the conduit. I have to travel the same distance as my neighbour who sells it, incur the same costs as my neighbour who sells it, but I'm not entitled to the same deductions under the Income Tax Act as the person who sells it.

We see that as an inequity within the tax act, something that should be addressed. If it is addressed, it will help encourage workers to go to work within provinces and across provinces where you have a shortage of work in one area and a surplus of work in another.

In Canada we do not have a very mobile labour force. In construction, we do not have a very mobile labour force, but with this kind of encouragement, through the tax act, we'll be able to provide opportunities for workers to go to where the work is, improve productivity for Canada, reduce the reliance on temporary foreign workers in some cases, and bring our labour markets back into balance in some of these areas where they're out of balance.

The Chair: Thank you, Mr. Strickland.

That's your time, Mr. Blaikie. Thank you.

We're moving now to the Conservatives. We have Mr. Stewart for five minutes.

Mr. Jake Stewart (Miramichi—Grand Lake, CPC): My questions are for Ian Lee, professor at the Sprott School of Business.

Professor Lee, thank you for taking the time to meet with the committee today. I've been looking forward all weekend to asking you questions.

Is it true that you were trying to warn people that we should watching for inflation at the same time as government was worried about deflation?

Dr. Ian Lee: Yes. I lived through it in the 1970s. I lived through it in the seventies, and we experienced that throughout the seventies. Central banks and senior decision-makers were saying it was under control, and in fact, wage and price controls were declared, six per cent and five per cent, in 1974. Then, when they were taken off, it kept ratcheting up, and we know where it ended.

I was the mortgage manager of the fourth-largest branch of the Bank of Montreal in Canada, at the Ottawa main office. You, the House of Commons, went and bought that building, by the way. It's now the parliamentary reception centre. I worked there when rates were at 20%. I'm not suggesting we're going to 20%; I'm not suggesting that at all. I'm simply saying that when you let the genie out of the bottle—and I'm talking about the inflation genie out of the bottle—it's very difficult to put the genie back in the bottle unless you take quite draconian measures.

That's not an opinion or a theory. We can look at the 1970s and where it ended up in 1980, and it took interest rates to 20% with Paul Volcker, and it caused the worst recession in North America since the Depression.

So yes, there are solutions to inflation, but they're very, very painful, and sometimes I think it's much better to be pre-emptive and say we won't let the genie out of the bottle; we'll hit it before it has taken off, because, if we postpone and kick it down the road, it will be worse. The solutions will become worse.

Mr. Jake Stewart: Can you please explain to the committee...? I guess you've already explained how you saw it coming, because you've experienced it in your lifetime. Are there certain market conditions that you're seeing currently that draw a comparison with your prior experience?

● (1225)

Dr. Ian Lee: Well, what we saw in the 1970s.... I don't want to get into who caused it, because I don't think that's fruitful. I don't believe Canada caused the inflation of the 1970s, but I and many others believe that we exacerbated it. I don't believe that Canada caused it this time either, by the way. We know it was global supply chains being disrupted by the pandemic, but governments can contribute to inflation by pouring in huge amounts of monetary stimulus and fiscal stimulus.

Milton Friedman—I know some people don't like him—was an extraordinarily distinguished professor at the University of Chicago. He won a Nobel prize for this very issue, showing that inflation is hugely influenced by monetary and fiscal policy. Throughout the 1970s, we were pumping billions of deficit financing into the economy while the economy was growing. I understand the argument. I'm very Keynesian. When the economy collapses, goes over the cliff, you spend money, sure, but we were spending money throughout the seventies, when the economy was growing at six per cent, seven per cent and eight per cent. Just like right now, we have the economy growing stronger than before COVID, and we're pumping billions of dollars in, and we've recovered all the jobs. That's why the PBO said there's no economic reason remaining now to do the stimulus.

I'm just looking at the evidence, based on the data and the numbers that we can see and measure.

Mr. Jake Stewart: I appreciate these comments.

Should we really be spending an additional $70 billion in regard to Bill C-8 with a new economic stimulus?

Dr. Ian Lee: No. I'm very worried about it.

I have no dog in this hunt, to use Bill Clinton's famous phrase. I don't belong to any political party. I don't consult anybody. I teach at Carleton. I do research.

I'm very much following Anne McLellan. I thought her comments were absolutely spot on. We have to pivot now, change. We did what needed to be done when COVID came along, but now we have to focus on growth. We have to generate growth, which will generate tax revenues to pay for these social programs and to pay for health care.

We have a lot of demands on our plate, we know that. There are people here who are advocating for more spending. We need the growth to pay for it.

Again, I want to keep reminding everybody: People think we can solve our shortage of workers with more immigrants. I strongly support immigration, but we have to be prepared for the idea that immigration may start to slow down, and we need more workers. The million in shortages is going to get worse post-COVID. It's not going to get better.

The Chair: Thank you, Mr. Stewart. That's your time.

We're moving to the Liberals and Ms. Dzerowicz for five minutes.

Ms. Julie Dzerowicz (Davenport, Lib.): I want to thank all the witnesses for their excellent presentations today.

I have questions for everyone, but I don't have enough time.

I'm going to start with Mr. Strickland.

Mr. Strickland, thank you so much for being here today. Thanks for your excellent recommendations; I have them in front of me. Thanks so much, also, for your leadership within the building trades unions and movement within our country. You've been an excellent leader. I really appreciated all our previous conversations.

The first question I have is not on something you've mentioned, but it's something we've talked about. We have a number of non-status workers who are working in building trades unions across the country. Is it time for us to find a way to normalize the non-status workers who have been here for years, who have already been trained and who contribute to our economy already? What is your position?

Mr. Sean Strickland: Absolutely, Building Trades supports the normalization of people working on our construction sites who aren't Canadian citizens. I think we need to provide a pathway to Canadian citizenship.

There's a pilot project that many of our affiliates have been working on through the department of immigration and citizenship, and that's had some really good results. We'd like to continue that work and provide pathways for more citizenship for workers on construction sites who can continue to provide good value to the Canadian economy.

Ms. Julie Dzerowicz: My next question is this. In my opinion, part of the reason we haven't had enough skilled workers come through our immigration system is that the language levels have been too high. As well, the education requirements have been a disconnect with the requirements of some of the skilled or semi-skilled workers we need.

If we were to create some sort of a clear pathway whereby we would adjust those requirements for skilled and semi-skilled workers, do you think it would help address some of the labour shortages within the building trades unions across the country?

● (1230)

Mr. Sean Strickland: Absolutely. A construction worker won't qualify to immigrate to Canada right now under the current requirements for immigration, so that needs to change. Recognizing that we have shortages in some areas and pockets of high unemployment in others, we need to look at all kinds of different ways to get more people into the construction industry.

We have to introduce it earlier in our grade schools. We have to provide mobility supports. We have to bring more immigrants into Canada. We also have to provide pathways for people who are already working in the construction industry. It has to be a multifaceted approach in order for us to continue to build this country.

Ms. Julie Dzerowicz: My next question is this, and you're touching on it a little. There's a lot of red tape between the provinces sometimes in terms of the mobility of our workers. Is there any recommendation you have around some interprovincial trade barriers that might come down, or harmonizing some of the regulations that might actually facilitate the movement of workers across the country to where they need to go? Would you have a recommendation or two for that?

Mr. Sean Strickland: There have been the interprovincial ministry objectives, and work has been done on removing those kinds of interprovincial trade barriers to the recognition of different qualifications among tradespeople across provincial barriers. There's a Red Seal working group, which has all those ministerial folks on board. They're looking at those kinds of issues.

More work needs to be done there. We need more flexibility amongst provinces in order to recognize qualifications in one province versus those in another. The Red Seal program helps with that, but overall, Ms. Dzerowicz, it's a great question. We need to have all these kinds of different tools to encourage this mobility.

We've also looked at binational mobility, at getting more workers from the U.S. into Canada and from Canada into the U.S. We've looked at recommendations around temporary foreign workers, whereby unions could be designated as potential employers so they could control and manage the temporary foreign worker program a bit better than maybe private sector interests could.

There's a whole series of recommendations and initiatives—provincially, internationally, binationally—that could be done to improve the number of tradespeople within Canada.

Ms. Julie Dzerowicz: In my last 10 seconds, could I ask you this, Mr. Strickland? In terms of the top two or three restrictions within Canada that you think we should be focused on beyond the Red Seals that you talked about, I'd be grateful if you could send a recommendation over to our committee for our consideration.

Mr. Sean Strickland: I'd be happy to take a more comprehensive view of that, and we'll certainly send that along to the committee.

The Chair: That's great. Thank you, Mr. Strickland. Thank you, Mr. Dzerowicz.

We're moving, members, to round three of our questions. We have the Conservatives up first. Welcome to our committee, Mr. Lawrence. You're up for five minutes.

Mr. Philip Lawrence (Northumberland—Peterborough South, CPC): Thank you very much, and it's an honour, obviously, to appear at the finance committee.

I'm going to focus most of my questions on Mr. Lee here. I want to speak plainly about this and get his comments on some of my comments.

It's my belief that the more products we build, the more workers we have, the more services we deliver, the more prosperous we are as a nation. Do you know what gets me excited? I certainly don't begrudge people who achieve financial freedom—that's great—but it's economic growth. That's what we call that when we produce more products, have more workers. That lifts millions of Canadians out of poverty. That's what gets me really excited.

The challenge we have is that we're headed in the opposite direction. The Canadian economy is facing a two-headed or maybe, Mr. Lee, a three-headed monster right now. We have deficit spending, which is leading, at least in part, to inflation. Inflation means that every dollar that someone has earned is worth less.

The other part is eventually that deficit spending has to be paid for. At some point, you have to pay the piper. There are only two ways of doing that, that I'm aware of. One is reducing spending; two is increasing taxes. What “increasing taxes” means is that all those workers who go out there every day, particularly those at the lower end of the economic spectrum, get to keep less of what they earn. They're going to get punished two ways with this continued reckless spending. One, every dollar they earn is going to be worth less; and two, they're not even going to be able to keep as many of their dollars.

Many experts have come before this very finance committee and said that when you add in the amount of clawbacks and withdrawals, in addition to the tax rates, people who are earning $50,000 or $60,000 are actually facing effective tax rates of 40% or 50%. You add inflation on to that and it gets to a very scary place, where we could see prolonged labour shortages and a lack of prosperity in Canada.

Mr. Lee, would you comment on that, and if I'm incorrect, please correct me.

● (1235)

Dr. Ian Lee: The World Bank has done massive studies on this and poverty alleviation around the world. They have shown that competitive, productive markets have removed over one billion people around the world—and I think it's a billion and a half—from the lowest levels of poverty.

You look at the empirical evidence, and there's no question that when you have a strong and vibrant economy, it raises the standard of living for everyone, not just the people at the top. There's no doubt about that, I don't believe. I don't think my views are any different from those of Don Drummond or David Dodge, the former governor of the Bank of Canada, or the people who are so-called “blue Liberals”, if you want to call them that.

Very quickly, to unpack one more very important point you raised, Arthur Okun, the great Liberal economist in the sixties, wrote a famous book called *Equality and Efficiency*. He said that there's a constant balance in public policy in a mixed economy between, let's call it, policies of social justice versus policies of economic growth. He said you have to strike the right balance because you need the growth to pay for the social justice policies.

I think that right now there's more of an imbalance. We focus so much on income redistribution, which is important, but at the same time we have forgotten, or we're neglecting—and that's exactly what the former Liberal deputy prime minister is saying—and are not focused on policies of growth. We have domestic investment leaving our country.

Mr. Philip Lawrence: I'd like to go just a bit further on that train. One of the other things that can actually happen as well is that, if we go the the other way and start declining in economic growth instead of growing the economy, when that growth reduces it actually reduces the amount of income for the government, because obviously it's a tax base. It's called the Laffer Curve. I was wondering if maybe you could give us 30 seconds on that as well.

Dr. Ian Lee: I understand the Laffer Curve is controversial. I won't even use the Laffer Curve.

Governments—federal, provincial and municipal—share in the growth. You look at the revenues, the sensitivity in western economies, and Canada is exhibit A. That is to say, when the economy is growing, revenues gush. They just pour into the federal treasury, the provincial treasuries and municipal governments. Then go look at the impact on the revenues flowing into governments when they fall off of a cliff and go into a recession. Their revenues just disappear.

Governments are very sensitive to growth. The more governments grow, the higher the GDP growth rate in the economy, the more money flows into the treasury that can be then spent on health care, on social income support and so forth. Anybody who believes in more social income support should be screaming their support for economic growth, because it generates more money to spend on those policies.

The Chair: Thank you, Mr. Lee.

Thank you, Mr. Lawrence.

We are moving now to the Liberals, with Mr. MacDonald for five minutes.

Mr. Heath MacDonald (Malpeque, Lib.): I'm going to address this to CBTU. During the pandemic, global supply chains have caused inflation in many sectors and industries, including the construction group. Can you tell us now where those issues are in relation to cost and supply?

Mr. Sean Strickland: Absolutely. It continues to be a challenge in terms of supply chain. It continues to be a challenge in terms of the cost of raw materials. Also, the deliverability of goods is causing some delays on construction projects. It certainly is an issue for the industry and is creating upward pressure on the final prices of construction projects.

● (1240)

Mr. Heath MacDonald: I'll go back to what Ms. Dzerowicz was saying, with a bit on the labour force. I come from Prince Edward Island, and I've just seen recently that our construction association is advertising 1,000 openings, and it's becoming very difficult. It's contributing to all sorts of impediments.

I want to ask you this, more specifically in terms of where she was coming from, relative to K to 12, post-secondary and standardized education for the trades: Is it time that we standardized trades across the country in educational systems? There was a point in time in the seventies and eighties, supposedly, that it was the place to be, and then all of a sudden everyone decided they wanted a business degree. Our economy changed, and now we're starting to see a real shortage in the supply of that labour force.

Mr. Sean Strickland: Thanks for the great observation. I would make a couple of comments.

In Prince Edward Island, you have a residential boom happening right now. A thousand workers are required. Meanwhile, in Newfoundland and Labrador, we have a surplus of workers. This is exactly why a skilled trades workforce mobility tax deduction would help, even in Atlantic Canada, for those workers in Newfoundland to potentially come to Prince Edward Island, rather than sometimes getting on a plane to go much further afield. Similarly, in Halifax, Nova Scotia, there are requirements for workers, and there's a surplus of workers in Newfoundland. It would really make sense to have that tax deduction in place to help with that.

In terms of standardization across the country, trades and trade regulations are in the purview of the provinces. We believe there should be more standardization right across the country, as long as that standardization is rising to the top and not going to the bottom. There is some pressure to try to deskill the trades. We do not support that. If there's going to be any kind of standardization, it needs to be at the higher lever, not the lower level.

Mr. Heath MacDonald: That's interesting. I know Prince Edward Island is even using virtual reality to get young people in [*Technical difficulty—Editor*] exactly what's it's like even before getting into the classroom and learning with the Red Seal programs. It's interesting.

Can you expand on the vast economic potential for jobs in your industry as a whole, relative to the green economy? What potential do you see for the construction association? What could possibly be leading the way, relative to residential or business construction?

Mr. Sean Strickland: In terms of introducing young people to trades, you can also go to our website. On our website we have videos. We're in conjunction with all provincial building trades affiliates right across the country in developing videos to help introduce younger people to the trades and help them understand what a millwright does, for example, or an operator. That's a really important piece of the work we do.

In terms of the economic opportunity, the challenge for us just on transition is that on one hand you get a report saying we're going to lose 450,000 workers between now and 2050 in oil and gas, then you get another report from the Royal Bank saying we're going to need $2 trillion in investments to build the energy sources of the future.

We're working to continue to provide those necessary jobs in oil and gas, and also positioning our workers for the new energy sources of the future, carbon sequestration, hydrogen, small modular reactors and nuclear. There are all kinds of opportunities in Canada for these new energy sources of the future. We need some support from industry and the government to make sure our workers are there to do that. The union training and innovation program is one program that's really helpful. There are sectoral initiatives that are coming out of the marketplace as well.

We need those kinds of supports to continue to position our workers in order to capitalize on this great opportunity that's ahead of us as we go to net zero.

The Chair: Thank you, Mr. Strickland and Mr. MacDonald.

We now move to the Bloc, and Monsieur Ste-Marie, for two and a half minutes.

[*Translation*]

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

Mr. Roy, as you pointed out, you had submitted pre-budget requests last summer, assuming that we would finally be out of the pandemic.

Is there anything you would like to highlight from these agreements, or anything you would like to remind the committee of?

Mr. Martin Roy: I would first like to reiterate, in relation to your previous question, that we are still waiting for the money that was announced in the budget almost a year ago. This is fundamental. You can make all sorts of announcements, but if at the end of the day, the money has not been paid out, it is not very effective. That's my first point.

In terms of normality in the sector, as I said earlier, we need to make the investments that were made in 2019 permanent; at the moment they have been extended piecemeal until 2024. These investments are in response to greater client demand at Canadian Heritage and they end a 10-year freeze. We do not understand why these investments have not been made permanent and integrated into the budget base of the two programs in question. This is an investment of $8 million in the Canada Arts Presentation Fund and $7 million in the Building Communities Through Arts and Heritage program. This is fundamental.

As I was saying, at this point, these 2019 investments are not even doing what they should be doing, which is addressing the problem that exists. We also believe that $30 million in new money needs to be invested, $15 million into the Canada Arts Presentation Fund and $15 million into the Building Communities Through Arts and Heritage program. This will finally stop the decline in grants.

The problem right now is that festivals are receiving less now than they were before the federal government invested new funds in 2019. It is incomprehensible that these investment increases of 25% to 40% do not translate into an increase in grants. The reason for this is that there are more and more clients. In the Building Communities through Arts and Heritage program, the funds are simply distributed according to the requests and the amount of money available. This can actually lead to a decrease in grants.

Finally, as I said earlier, I think it is important to create a complementary program that will support festivals and events that are not supported by Canadian Heritage. I'm talking about this whole category which also includes agricultural fairs and these types of events that are not supported by Canadian Heritage, because they are not considered to be cultural events.

● (1245)

Mr. Gabriel Ste-Marie: Thank you.

Mr. Martin Roy: Thank you.

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

[*English*]

We are moving to the NDP and Mr. Blaikie.

Mr. Daniel Blaikie: Mr. Lee, you've said you don't take issue with income support programs for the vulnerable, so I'm assuming you mean people living with disabilities who aren't able to participate in the workforce, or seniors who are on low fixed incomes, who need help supplementing their income so that they have a place to live and can feed themselves.

When we talk about the government support programs that have been there for people in the pandemic, since September 2020 those have had an active job search requirement as a condition of receiving the benefit. That was true for the Canada recovery benefit, for instance.

The government effectively ended that program at the end of October, with very little notice. There were 900,000 people who were still recipients of that benefit. We didn't see a corresponding alleviation of labour market trouble when that benefit was denied to many people. The Canada worker lockdown benefit has not been an adequate replacement; people are struggling to get it, and of course the amount has been significantly reduced to only $300 a week from $500 a week—hardly enough to live on.

When I hear people talk about cutting off government income support, which has largely been done by the Liberals as of last fall as a solution to the labour market shortage, it seems to me that the bigger piece that we're not talking about is training and how to prepare the people who are struggling to get into the labour market, which presumably is why they need income assistance in the first place. I don't believe there were 900,000 Canadians content to sit at home on $300 a week if they could be getting a job that would pay well and that they would find rewarding.

Can you speak to the training component and what we need to actually do to get the people who are available and ready for the jobs that are available, because it seems to me that's a much bigger problem than government income support programs that are hardly enough to live on. Could you speak to the training component, please?

Dr. Ian Lee: This may surprise you, but I'm in complete agreement. Lest anyone here think that I'm saying Ian Lee, professor, wants everyone to go back to university, a shout-out to Mr. Strickland and his industry. I don't think we need more people at university, and I'm probably going to get attacked now by my professor colleagues. I'm not anti-university; I believe strongly in university.

Mr. Daniel Blaikie: Well, if it's any consolation, I'm a Red Seal electrician with two university degrees, so I'm familiar with the phenomenon.

Dr. Ian Lee: My son has a Red Seal, too, by the way, in carpentry, so I'm very aware of the Red Seal program.

The community colleges have done an amazing job in this country. They're one of the great unsung heroes, and we should be celebrating them. Unfortunately, in the last 30 years, as you know, I think we've oversold, and guidance counsellors across Canada have oversold, the dream of university. I believe strongly in university, but we don't need everybody to go to university.

To your point, very quickly, yes, we do need retraining. We need a lot more targeting. Instead of just saying, “Look, we're going to put you on income support”—whether we call it “social assistance” or “unemployment insurance”, I'm not getting hung up on the labels—we need to point out to people, and governments have to do a better job of saying, “Look, we have a million vacancies.”

I don't just mean in restaurants. My own brother is a contractor, and he said that his biggest problem is not taxes; he can't find workers to work for him in his business. We have a problem.

● (1250)

The Chair: Thank you, Mr. Lee and Mr. Blaikie.

Yes, let's hear it for universities, colleges, Red Seal and everybody else.

Let's move on now. We're going to the Conservatives, and I believe we have Mr. Chambers up for five minutes.

Mr. Adam Chambers: Thank you very much, Mr. Chair.

[*Translation*]

Mr. Roy, I'm sorry, but my French isn't very good.

[*English*]

If it's okay, I'll ask my question in English.

Are your members equipped properly, or are they prepared to reopen safely?

[*Translation*]

Mr. Martin Roy: This issue is subject to different debates and different approaches. At the start of the pandemic, we were very cautious and we obviously wanted our activities to be as safe as possible. At this point, we know that studies have been conducted on this issue. Recently, researchers from the University of Colorado and the University of Oxford established the various risks depending on the activities. In general, outdoor activities such as festivals and events are considered low risk. In most cases, events and festivals also have the option of controlling access by requiring proof of vaccination or a vaccine passport. This depends on the province or territory, with some jurisdictions requiring the vaccine passport. This approach could help us get back up and running quickly with our pre-2020 business models.

Mr. Adam Chambers: Thank you.

[*English*]

Understanding that it would be helpful to your members for money to flow that the government has previously promised, would you say it's more important for the industry that all governments provide a very clear path towards reopening our festivals and outdoor events and getting back to normal, and that all governments need to work together to ensure a safe reopening?

You just mentioned some studies that made recommendations or observations that outdoor events present far less risk, but it's actually more important to figure out a path to getting back to normal than it is to consider future grant programs and income replacement supports for industry.

[*Translation*]

Mr. Martin Roy: In an ideal world, this summer we would be back up and running at full capacity. This would reduce the need to seek funding from the government or public money to make up for our loss of revenue. I agree.

At this point, all festival and event organizers in Canada also need some predictability, and quickly. Some jurisdictions are providing predictability, while others aren't. We know that, in Ontario, as of March 14, we can gather indoors and outdoors without capacity limits. That said, not all jurisdictions have made this announcement. I urge not only the committee members, but also the public health authorities, to look at the situation in other parts of the world. We can see that, in Europe and the United States, for example, activities, festivals and events have started up again. As you know, in April, Coachella, one of the world's major festivals, will take place in California. The festival will be attended by 250,000 people and there will be very few health measures in place. I'm not saying that we should abandon health measures altogether. However, we should also look at the practices of other countries, follow the science and keep abreast of the studies released.

To date, some studies have encouraged us to take precautions, while others support the easing of health measures.

● (1255)

[*English*]

Mr. Adam Chambers: For my remaining time, I'll turn back to you, Mr. Lee. We're spending time at the committee talking about housing. Could you talk about what policies or, more specifically, who has been hurt by existing government policies over the years in terms of finding housing, affordable housing, etc.?

The other question is this. We've seen some proposals that speak to the demand side of housing. That is providing supports for people to help them find more money to bid on housing. If that's not coupled with an increase in supply, aren't we just going to make housing affordability worse?

Dr. Ian Lee: I've written several op-eds on this. I have one under review right now at The Globe and Mail on this very issue. I don't believe that support on the demand side is going to help the problem. It's throwing gasoline on the fire. We have an empirical, measurable shortage of housing in Canada. The Scotiabank chief economist showed that.

The Chair: Thank you.

Members and witnesses, that concludes our third round. Our final questioner, before we end our meeting today, will be Mr. Baker from the Liberals.

You have up to four or five minutes.

Mr. Yvan Baker: I'll direct my questions to you, Ms. Coke. In your testimony at the outset of this meeting, you advocated for a public awareness campaign for the services that Etobicoke Services for Seniors offers but that many agencies around the country also offer. Without going into detail, could you tell us or give us a sense of what those services are that you think people need to be more aware of?

Ms. Alison Coke: Our services tend to be preventative. Our relationship tends to be long term. People start with us with health and fitness. We do fall prevention, exercise and wellness, and wellness check-in calls. As time goes on, people may not be able to exercise. We offer them things like congregate dining, group trips to the mall, and other kinds of recreational activities that perhaps they would not be able to do without support.

Then we get to the stage where people actually need adult day programming. Cognitive and physical impairment occurs. The families have real challenges looking after their loved ones and need respite. We pick the clients up, we escort them to day programs, we keep them for the day for exercise, food, music and all kinds of activities, and then we carefully bring them home.

Then the need might move forward to respite care in my home. I can't dress myself. I can't shower. I don't know when I need to take my medication. We send PSWs in. Just to that point, for every person we serve, we have an intake and assessment. We follow how they're progressing. As things develop or change, we in fact recommend changes in our services.

One of the most important things we do, and I don't believe this is available in very many places, is to offer short-term, overnight respite care in our caring centre. This means that if you've been looking after your loved one for three years and you've had no break, you can book them into our caring centre. They get 24-7 PSW support, help with the activities of daily living and all their meals, and they just get to chat. It's actually more for the caregiver than it is for the client, but it's a safe place for them to come.

Other things include transportation and, as I mentioned in my presentation, food security, which has become an increasingly important challenge for us. We do “friendly visiting”. A lot of that's done by our volunteers, who are linked with one senior. They call them once or twice a week just to say, “How are you doing? What do you need?”

During the pandemic, we continued to do all our virtual programs. If you went to our exercise program once a week, our staff called you once a week to see how you were doing. If you came to an adult day program three times a week, we called you three times a week.

What we really do is we stay connected. We stay there to support people, to follow how they're doing and make sure the supports they need are provided to them, if not by us then by those who can do it. We know the landscape.

● (1300)

Mr. Yvan Baker: That's great.

Mr. Chair, how much time do I have left?

The Chair: We have gone over our time for our meeting, if you had any final comment, but thank you, Mr. Baker. That was great.

Ms. Coke, thank you.

Ms. Alison Coke: Thank you, Chair.

The Chair: I want to thank all the witnesses. You have been excellent in terms of your remarks, your testimony and your answers to the many questions, which will help inform our pre-budget consultation report.

On behalf of all the members of this committee, thank you to the clerk, the staff, and the interpreters for being here. Thank you for your participation. It has been very informative to the members and to this committee. Thank you.

Goodbye, everybody. Have a wonderful day.