



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

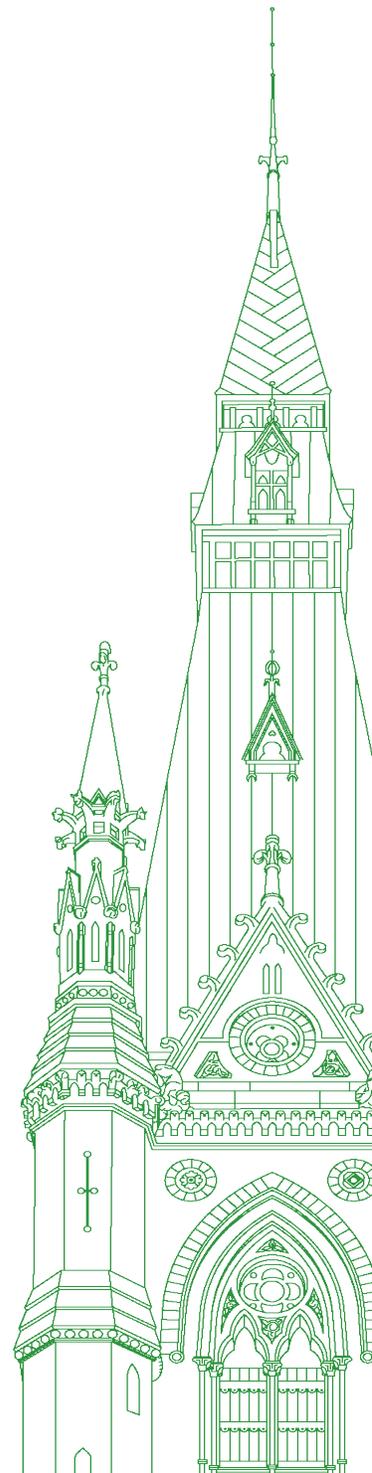
43rd PARLIAMENT, 1st SESSION

Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

EVIDENCE

NUMBER 014

Thursday, May 28, 2020



Chair: Mr. Sean Casey

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• (1705)

[English]

The Chair (Mr. Sean Casey (Charlottetown, Lib.)): I call this meeting to order.

Welcome to meeting number 14 of the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities. Pursuant to the orders of reference of April 11 and May 26, 2020, the committee is resuming its study of the government's response to the COVID-19 pandemic. Today's meeting is taking place via video conference, and the proceedings will be made available via the House of Commons website.

The webcast will always show the person speaking, rather than the entire committee. Before speaking, please wait until I recognize you by name. When you are ready to speak, please click on the microphone icon to activate your mike.

Before I get started, I would like to remind everyone, and especially our witnesses, to please use the language channel of the language they are speaking. If you are going to switch back and forth from English to French, French to English, you also need to switch the channel before switching languages.

I would now like to thank the witnesses for joining us today. With us today, appearing as an individual, we have Mohammad Keyhani, associate professor, entrepreneurship and strategy, at the University of Calgary. From Canadian Manufacturers & Exporters, we have Mathew Wilson, senior vice-president, policy and government relations.

Professor Keyhani, please proceed with your opening remarks. You have 10 minutes.

Dr. Mohammad Keyhani (Associate Professor, Entrepreneurship and Strategy, University of Calgary, As an Individual): Hello. Thank you for inviting me here today. It is an honour to be speaking to members of Parliament and the broader Canadian public.

My name is Mohammad Keyhani and I am a professor of entrepreneurship and business strategy at the Haskayne School of Business at the University of Calgary. I want to highlight and make recommendations on two issues today: digital skills and international students.

In the past several years, I have focused my teaching and research efforts on digital technologies for the next generation of entrepreneurs. Technology is rapidly changing the nature of how we

launch and operate new and small businesses. An entrepreneur today has to know what a Slack channel, a growth funnel, a Zapier zap or an API is, or else they will quickly fall behind the global competition.

Canada knows that it has a digital divide problem. The COVID-19 pandemic has further highlighted the importance of digital skills and the digital economy. I want to point out that the Canada training credit program can be used for the purpose of responding to the sudden increase in demand for digital skills due to COVID-19. I want to encourage all working-age Canadians to take advantage of the Canada training credit to improve their digital skills, and as 2020 is the first year this credit is available, it can be leveraged by Canadians to respond to the new normal.

This program was inspired partly by Singapore's SkillsFuture program. In response to COVID-19, Singapore has doubled their training credits this year, and I recommend that Canada also consider increasing this, especially if it can be used for digital skills. This would also help to highlight the Canada training credit program once again for Canadians who may not be aware of it or may have forgotten about it in the midst of COVID-19.

That concludes my first recommendation.

To go on to my second point, I want to argue that international students should be covered by the CESB.

The COVID-19 crisis has prompted researchers and entrepreneurs across Canada to focus their efforts on coming up with solutions to the various issues around the pandemic. I have been fortunate to be able to join research teams in the University of Calgary and help them commercialize their COVID-19 response technologies.

One of these start-ups has been able to receive Health Canada authorization to produce a three-D printable nasopharyngeal swab to address the shortage of such swabs in Canada. Another start-up has been able to apply leading-edge microfluidic technology to create test kits for COVID-19 virus and immune response diagnostics. This technology has been supported by a generous CIHR grant from the government.

I am proud that researchers in Canada, right here in the University of Calgary, have the capabilities to develop these technologies. It has been truly inspiring to work with these tireless researchers, who get up early in the morning every day—including most weekends—to go to the lab and stay there long into the night while the country is in lockdown.

I want to highlight an interesting fact about these research teams that I've been working with. Most of them are international students. Of the few who aren't international students, most of them came to Canada initially as international students and eventually gained Canadian permanent residency.

After the tragic incident earlier this year when a Ukrainian flight was shot down in Iran, I was asked by two journalists how so many brilliant scientific minds could be on one flight. To me, this was an indication that perhaps we as a country do not fully grasp the extent to which international students and scholars are contributing to Canada.

In fact, Professor Mojgan Daneshmand of the University of Alberta, who died on that flight, had working relationships with our team and would likely be contributing to our COVID-19 diagnostics project today if she were alive. She came to Canada as an international student 20 years ago.

Economically, it is estimated that international students contribute \$22 billion annually to the Canadian economy, and their presence here fuels 170,000 jobs. Canada is competing with other countries globally to attract international students. Many of them choose Canada not just because of the quality of education, but also because of its reputation as a multicultural and tolerant society.

Many people, including many higher education professionals and administrators, have been disappointed by the government's decision to exclude international students from the Canada emergency student benefit. There are about 640,000 international students in Canada, and many of them do not need the CESB because they have funding support from scholarships or other institutions, but many of them do need the CESB and are finding themselves in financial stress. These international students have multiple disadvantages to deal with compared with most Canadian students.

First, they pay tuition fees that are about three times higher than Canadian students. Second, they typically have no family here in Canada to rely on and no place they can go to stay with their family to avoid paying rent now that everything is online. Third, their family back home is finding it difficult to support them financially because many of them have also been impacted by COVID-19. Fourth, many of the kinds of jobs these students took to support their studies in Canada are the kinds of jobs that are hit hardest by the COVID-19 pandemic.

Canada is a caring country, but if we fail to take care of our international student population now, it may impact our reputation in the global race to attract international students in the future. Our universities depend heavily on international students as the main driver of growth in our higher education sector in the past decade. For this reason, I recommend that the Government of Canada consider including international students, at least those who don't have tuition waivers, scholarships or other significant financial support, in the CESB program.

Thank you for your time and attention.

• (1710)

The Chair: Thank you, Professor Keyhani.

Next we have Mr. Wilson from Canadian Manufacturers & Exporters.

You have 10 minutes, Mr. Wilson.

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

Thank you for inviting me to participate in today's discussion. It is my pleasure to be here on behalf of Canada's 90,000 manufacturers and exporters, and our association's 2,500 direct members to discuss COVID-19 in Canada's manufacturing sector.

Today, I will stress the importance of the existing wage subsidy program, the need for expanded programs to support the full restart of industry, and the requirement for a national manufacturing strategy that contains a skills component.

CME's membership covers all sizes of companies, all regions of the country, and all industrial sectors. From the early days of this crisis we've been working with our members and governments to increase the manufacture and supply of critical PPE and health care technologies needed in the response. We have also been educating and informing manufacturers on the latest developments in the crisis, including on how to access government supports and how to protect their employees and their supply chains. We have been working to understand the impact on our sector and have been advocating policy, regulatory and program supports for our sector from all levels of government.

Throughout this crisis the role and importance of Canada's manufacturing sector has never been clearer or as much discussed. Hundreds if not thousands of manufacturers have switched their production to support the making of critical PPE, such as masks, face shields and gowns, as well as ventilators. Many in our sector are aggressively working on developing better tests and a vaccine for COVID-19.

Despite the current challenging climate, unlike in other sectors, most segments of manufacturing have been able to continue to operate throughout, albeit at much lower production levels. Through the first six weeks of the crisis—through to the end of April roughly—output dropped by nearly 10 per cent and actual hours worked declined by 30%. Worse, roughly 300,000 Canadians of the 1.7 million directly employed by our sector lost their jobs.

Those job losses were heavily concentrated in sectors where consumer demand plummeted, namely automotive, aerospace and energy-related sectors. Were it not for the actions of the federal government, those numbers would have been much, much worse, and because of those actions the numbers are beginning to get better now.

The most important action taken has been the wage subsidy program. When CME first began calling for the CEWS, we had in mind that companies could maintain operations and their payrolls so they would be in a stronger position from which to recover coming out of this crisis. We believe it is achieving these results.

In a recent survey of our members, nearly 85 per cent fully supported government actions, with nearly 55 per cent stating that they were using the CEWS specifically—far and away the most used program—with tax deferrals coming in at a distant second with roughly 30 per cent use.

The heavy use of this program can be linked back to the reality that manufacturing can continue to operate, but with significantly reduced volumes and sales. Sustaining their workforce would have been impossible without the wage subsidy given the high overhead costs of maintaining manufacturing operations.

Today, we are hearing from our members who are rehiring thousands of Canadians as they look to restart their production. By our count, CEWS has been a massive success. This does not mean, however, that the program is without flaws. There are two big challenges that our members have noted, which I want to raise.

First, companies who sell to interrelated parties—such as a subsidiary selling to a parent company—and second, companies who acquired a second company are restricted from using the program. We are working with finance officials on these restrictions and hope a solution will come soon.

Outside of existing program challenges, it is important to note how eager companies are to get off the subsidy program and return to normal operations. Many companies are planning for an exit from the support as soon as the original June program elimination date is reached. Those companies should be applauded. Unfortunately, many other companies will be reliant on the program beyond this date due to depressed economic conditions.

The extension of the program to the end of August was welcome news, but more will need to be done. It is likely that the program will need to be extended beyond this date; however, this time there should be a timed and revenue-based phase-out plan included. More specifically, we believe that the program should be extended to January 2021; the amount of the subsidy should be reduced in lockstep with an expected improvement in company revenues; and the government should lower the revenue-loss threshold for qualification from the current 30% back toward the original 15% before it is eliminated altogether. This extended and smoother transition would allow companies time to adjust and would not push them off a revenue-support cliff thereby potentially causing them and their employees further harm.

There are two other areas I'll mention before closing: the need for additional support for industry in dealing with the new health and safety guidelines, and the importance of skills development as part of a manufacturing strategy.

First, as industry begins to fully ramp up production, there are significant additional costs that will be borne by companies, yet revenues and output will not match historical norms. Companies will be investing in training staff in operational requirements, providing PPE in much greater quantities to staff and installing protec-

tive barriers and other physical distancing tools. Government should introduce some direct support programs to offset these costs.

• (1715)

Second, as governments look to answer the call to create a national industrial strategy that focuses on growth, investment and innovation in manufacturing, a critical component of that strategy must be human capital. While people are among Canada's greatest assets, the lack of the right skilled workers and labour in general has become a major obstacle to the growth of our sector in Canada. The shortages are widespread across the country, across all job types and across types and sizes of companies. If companies cannot get the right skills, they cannot leverage the latest technologies, they cannot innovate and they cannot invest and grow. As part of their industrial strategy, governments need to include a skills strategy that looks to get more youth into the sector, to help companies upskill their existing workforce and to allow companies to attract the best and brightest from around the world.

Thank you again for inviting me to participate today. I look forward to the discussion.

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

We're going to begin with rounds of questions, starting with Ms. Kusie for six minutes.

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Thank you, Chair.

Professor Keyhani, it's good to see you after meeting you in San Jose, almost two years ago now. As well, I was very interested in your comments in a recent discussion about Canada going forward into the world after this pandemic.

In your opinion, what new trends do you think we will see emerge in the labour force as a result of the COVID-19 working environment, please?

Dr. Mohammad Keyhani: Thank you, Ms. Kusie. It's an honour to see you again.

In terms of trends in the labour force, I think it's clear that digital skills are going to be very important going forward. Everybody knew these were going to be important, but the COVID-19 pandemic suddenly pushed this trend by leaps and bounds.

Sometimes when we talk about digital skills, people immediately think about coding skills and computer science degrees and that sort of thing, but I think we need to have a broader view. I train my students in the university and entrepreneurs in using the different digital technologies to improve their businesses. It is surprising, especially in the past decade or so, how many of these technologies that previously required some sort of coding knowledge and programming skills no longer do. It's just a matter of using drag and drop tools, which anybody can use and learn, and a matter of playing around and learning a lot of these tools. But the entry barriers to learning them are much lower. A lot of them don't require computer science degrees anymore, and this trend is going to increase in the future. It's a matter of general digital literacy, an openness to trying new things and an awareness of how the landscape of tools available is changing. I think that's going to be an important trend down the road.

Automation is going to play an important role. There's been an estimate that one in 10 jobs in the OECD countries is in danger of automation very soon. But I think, as with previous waves of technology that have displaced other technologies in the past, a lot of new opportunities will be created. We have to train our students even before the higher education level, at elementary schools and high schools, to not only learn the available tools, but also to learn to learn and to be able to play around and learn with new tools as they become available. A lot of the tools they will need when they grow up and get into the job market don't even exist right now. We have to make sure that once they get there, they have the skills to learn them very quickly.

• (1720)

Mrs. Stephanie Kusie: That's excellent. Thank you very much.

Coming from Global Affairs prior to being in the House of Commons, I believe a global reset will happen with everything from diplomatic relations to supply chains. I believe the skills you've made reference to play will play significant role in what Canada's role in the new world economy will be in the future.

What could the Government of Canada do specifically in an effort to prepare our workforce, in particular young people in our workforce, for this new world economy post-COVID-19?

Dr. Mohammad Keyhani: I think the incorporation of various digital skills and technical skills into the learning curriculum at lower learning levels will be a good step. I'm not completely on top of the extent to which this has already happened. I know that, up to a few years ago, a lot of schools were voluntarily incorporating some of this material and some of this digital skills training into their programs, but it wasn't in the official programs that they were required to follow. So, that will be an important factor.

An opportunity like the Canada training credit that I was referring to in my opening remarks is useful, although it's not a perfect solution because people have to wait until the end of the year when they file their tax returns before they can get their expenditures reimbursed. A lot of people may not necessarily use those credits for the kinds of skills that we think are necessary to jump into the future, so there could be potential modifications or facilities around that program that would encourage people to move particularly towards digital skills training or upskilling.

The Chair: Thank you, Professor.

Thank you, Ms. Kusie.

Next we'll go to Mr. Turnbull for six minutes.

Mr. Ryan Turnbull (Whitby, Lib.): Thank you, Mr. Chair.

Thanks to both the witnesses for being here today. I really appreciate their opening remarks.

Mr. Wilson, I'm going to start with you and ask you a couple of questions. Then I have a couple for Mr. Keyhani as well, and hopefully we'll get to those.

Mr. Wilson, I know that your CEO at CME has mentioned how many of your members are likely to apply for the Canada emergency wage subsidy program, and then you mentioned in your opening remarks a survey that you did where you said it's about 85%. That's really good to hear. We also heard expert testimony earlier this week from Professor Kevin Milligan from the University of British Columbia, who said, "I do hope that we will start to see people maintain their income...through the wage subsidy rather than the emergency response benefit because the wage subsidy is a way to rebuild the economy." I think that is a really important point.

Looking forward, do you agree that the wage subsidy will help your members retain and re-engage their employees, helping them transition back to the workplace?

• (1725)

Mr. Mathew Wilson: Absolutely. I'll just clarify the numbers. About 85% of companies said that they fully supported the government action across the board on all the measures they've taken, and that's federal and provincial. About 55% of our members said that they used the wage subsidy program, which is a substantial number of companies, so it has broad use in the manufacturing sector.

The CERB program, though, has been a very different type of program. We were worried at the very beginning about the potential distortion effect that that program could have in our sector. I won't talk about other sectors that were much harder hit by COVID-19 than we were. However, what we were worried about was that if companies don't retain the relationship with their employees, it becomes a lot harder for them to restart. Before the wage subsidy program was announced, before the CERB program was announced, we were talking to officials and saying, "Do not do an EI-type system", which is what it turned out to be. "How about a direct wage subsidy like we saw in Europe and other parts of the world?" That would maintain that relationship; the companies already have payroll; and it's really easy to handle it. I think the government recognized pretty quickly when the CERB program was put into place that it caused, frankly, a pretty significant number of layoffs across all industries. The government immediately went to a wage subsidy program, which actually caused a lot of our members to recall furloughed employees after only a week or so. I think it would have worked immediately.

Secondarily, it is working. We had a conversation on Monday with Minister Morneau and with several companies. Fiat Chrysler, for example, was one of them, and it specifically said that it started off operations at all three of its Canadian plants on one shift because of the wage subsidy and that it would be moving to two shifts.

That's just one specific example and one statement just this week, but we're aware of many companies that are doing that because it's there. If the wage subsidy isn't there, they won't be recalling those people, and frankly, many companies probably would shut their doors.

Mr. Ryan Turnbull: Thanks for that, I really appreciate it. It's great feedback for us, and I really appreciated your comments about how to maybe phase out the wage subsidy in a gradual fashion.

I'm going to talk a bit about the made-in-Canada manufacturing solution, and COVID-19 has certainly highlighted just how important domestic capacity is for our supply chains and manufacturing sector. I know that personal protective equipment, test kits and ventilators have obviously been in high demand, and global supply chains have been stressed, to say the least, which again highlights the need for domestic capacity. I know that Canadian Manufacturers & Exporters have long been champions of increasing the capacity of our domestic manufacturing sector.

What steps has the federal government taken so far that have been helpful in realizing a made-in-Canada manufacturing solution?

Mr. Mathew Wilson: The government has undertake some short-term measures to try to stand up domestic supply chains, leveraging investment support programs, for example, to help companies retool and scale up production of PPE, but those are really short-term measures to deal with the short-term critical nature of the supply.

There needs to be a much longer-term strategy, and this isn't an overnight thing. You've mentioned that we've been talking about this for a long time. I've been before this committee several times in

several different iterations over the years talking about this as well. It's critical that we have a big industrial strategy for Canada that includes skills and a made-in-Canada component. So much of it, though, is driven by technology, as Ms. Kusie was talking about earlier, and how we can improve our domestic competitiveness to be able to manufacture for any type of crisis in the future.

If we focus just on things like not having enough N95 masks for this crisis and how we can make more of them, what happens if the next crisis isn't about N95 masks? We need to have a domestic manufacturing capability that can respond to any crisis. We need better technology, we need more investment and we need more capability. Maybe more importantly than anything else, we need to understand what we make in Canada and what those companies can do.

The problem in standing up the domestic supply chain for the PPE was two-fold. First, we don't know what our capacities and capabilities are in manufacturing in the country; no one tracks that type of thing. We know roughly how many people work in chemical manufacturing or auto manufacturing, but knowing what type of chemicals and what they could be transitioned into is very different from knowing that these companies make chemicals in the first place, as an example. We need to understand that.

Second, we need to have much stronger procurement rules both in terms of buy Canada so that we're supporting domestic production and innovation, and second, that it be centralized and coordinated so that a company isn't supplying a local hospital if it is supplying, say, a regional, national or provincial health care network.

• (1730)

The Chair: Thank you, Mr. Wilson.

Thank you, Mr. Turnbull.

[*Translation*]

Ms. Chabot, you have six minutes.

Ms. Louise Chabot (Thérèse-De Blainville, BQ): Thank you, Mr. Chair.

I, too, would like to thank the witnesses. I would like to ask Mr. Wilson a question.

Mr. Wilson, you appeared before the Standing Committee on Finance today. In your testimony, you seemed to say that the maintenance of activities was largely due to programs such as the emergency wage subsidy.

However, you also talked about the decline in some sectors, which could be as much as 13%. You also said that it may take until 2022 before everything returns to normal.

How do you see the solutions that have been proposed?

Are solutions such as the emergency wage subsidy, solutions that have worked in the short term but will not work in the medium term?

[*English*]

Mr. Mathew Wilson: I apologize; it was hard to hear everything that was coming through. I will do my best to answer your question.

I think what I understand from the question, though, is what type of transition do we need? How do we look longer term if we're not expecting a full recovery—economic recovery, manufacturing recovery—for almost two years? What do we need to do?

We really do need a multi-staged approach. The approach to date has been about immediate crisis containment to make sure that we have an economy to go back to after this is over and when things restart. Whether that's being able to go out to lunch at a restaurant or it's manufacturing or something like that, we need that baseline industry there, and the response has been about that.

The second phase, though, really needs to be how we start to get recovery. A big part of the immediate recovery will be about boosting consumer spending. Consumers account for 60% of the domestic economy. If they're not spending money because they're uncertain about their economic future, or they're unwilling to go out of their houses because they're afraid they're going to get sick, that's a huge problem. We need to think about those kinds of medium-term transitions.

In the the slightly longer term, we're calling on governments to look at actions that will support longer-term economic growth, like infrastructure spending, for example. That will not only boost short-term demand for products, but also longer-term growth in the economy. Trade infrastructure is a great example. Our ports, rail lines and pipelines are clogged, and we can't get goods to market or into the country in a lot of cases to feed manufacturing. Those things will be important medium-term actions.

In the longer term is where you need to have the bigger industrial strategy. That's going to look at how we can leverage technology, for example, to reshape industry and society to take advantage of all the opportunities.

[*Translation*]

Ms. Louise Chabot: Thank you, Mr. Wilson.

I'd now like to talk about skilled jobs.

You mentioned innovation through human capital, human resources. In another life, I sat on the Commission des partenaires du marché du travail with the manufacturing sector. These questions are important, but does the solution not also come from those who are already employed, not just those who are in school? In-house training would therefore be important.

Do you think wages in the sector are competitive enough to encourage people to work?

[*English*]

Mr. Mathew Wilson: Again, I apologize if this isn't the full answer.

I would say there are two parts to this answer. One is that technology and innovation are rapidly changing how manufacturers operate. You understand that, as do most members of the committee.

Our workforce, in a lot of ways, is not keeping up with that. We've been a long-term proponent of much greater support for companies to do in-house training. Things like work-integrated learning programs, which started under the last government, were expanded under this government. They are really, really important to tie that connection between education, students' theoretical knowledge, and the on-the-ground practical knowledge that people are getting, whether they're students or they've been on the job for 30 years. Technology is changing, and we need to support those companies in the transition towards technologies so they can be more competitive.

Most importantly, we need to support those workers to make sure they can take on the new jobs and the new technologies that are reshaping manufacturing in all parts of our society.

I hope that answers your question.

• (1735)

[*Translation*]

Ms. Louise Chabot: I would add that, in the recovery, there will have to be a transition in the industrial world, and workers will play a very important role. In the workplace, knowledge and training will have to be updated, and skills will have to be upgraded.

Thank you very much.

The Chair: Thank you, Ms. Chabot.

[*English*]

Thank you, Mr. Wilson.

Next we have Ms. Kwan, for six minutes, please.

Ms. Jenny Kwan (Vancouver East, NDP): Thank you very much, Mr. Chair.

Thank you to the witnesses for your presentations.

Mr. Wilson, I just want to follow up on the whole issue around re-entry.

I really like the idea and the proposal you made about gradual support, if you will, of wage subsidies. Some of the businesses today, though, are already calling for that, even so that they can qualify for the wage subsidy. Some have missed qualifying by just a hair.

Would you support this kind of call as well, both in getting into the wage subsidy at this point as well as exiting the program?

Mr. Mathew Wilson: Yes. Most of our companies that we talk to do qualify. Their production was down 30% to 40%, and their sales were down so much. I'm not sure about other sectors of the economy, but 30% a "revenue cliff" that I and others have called it is a substantial problem that probably should be softened. Early on we called for 15% in the first month, and we're happy to see that. So, yes, that's potentially something we could look at, certainly on the way out of this.

If you have it at 30% and you leave it there, and you don't soften it or wind it back down maybe towards 15% of revenues or something like that, it's going to have a big impact, because companies won't be able to operate if you have that 30% number stuck in there. We're suggesting that it not be kept at a 75% subsidy if you have, say, a 20% decline in revenue. Maybe it should be 50% support if there's been a 20% decline in revenue, or something like that. But, certainly, we need some type of tied-together formula that would be pretty simple to administer for government and for business, and that recognizes and supports growth in revenue and that transition off.

Frankly, you could start introducing that today. There's no reason you couldn't soften those numbers, but have a lower subsidy. Instead of just having it at 30% and 75%, maybe have it at 20% and 50%. I'm just putting out those numbers, but you could have some sort of a different scale on it that as well. So, yes, I think we would support something like that, and certainly on the way out, it's going to have to be there.

Ms. Jenny Kwan: I think that would make a difference. The amount of subsidy would be proportional to the amount of revenue loss so you can tie the two things together as a scale. That's good to hear.

The other thing I'm hearing from the small business community in my own area, although not in the manufacturing sector—and I think all of the businesses will be critical for our recovery—is that some people are starting to have problems accessing plexiglass, for example. As we're talking about re-entry, you need to create different workstations and so on, but people can't access that material in addition to personal protective equipment. I wonder if you can comment on that issue.

Mr. Mathew Wilson: It's a huge issue. We use a lot of the same equipment in manufacturing that hospitals use. The N95 mask is a good example, and also various types of face shields and other things. In some cases, they don't have to be medical quality, and so they can be a little easier to obtain, but it's still a huge problem across the board.

We've partnered with a group called the Rapid Response Platform, RRP, are helping thousands of companies every day to make these types of connections. We don't need big government programs to do this. The private sector stepped up and done it, and it's all free. I would encourage people to take a look at that. We have no gain from whatsoever. We're promoting it to our members to use, because we were getting those questions.

Just through our own informal network, we were manually matching companies when we knew one company had stuff and someone didn't. But this is a much bigger public platform, and it's been very helpful. As I said, yesterday I think I heard the number was that somewhere around 2,500 companies had made masks in one day alone, and so it's working really well for the private sector.

● (1740)

Ms. Jenny Kwan: Some of the local business people who try to re-enter and so on are not in the network so to speak, because they're small scale businesses, and so how to access this material becomes a major barrier. Perhaps there can be some coordinated effort among levels of government and the private sector to figure

this out, because if those businesses don't survive, our local communities won't survive, which of course will impact the manufacturing community overall.

Mr. Mathew Wilson: I agree 100%. I don't know what else I can say, but, yes, absolutely, and there needs to be.... Certainly groups like CME, local chambers of commerce, are trying to coordinate and do this type of work, but if you're not part of a network, it still is very hard to get that information. It's a good reason to join a private sector association like ours, but it is part of the benefit of being part of that network.

I'm sure all your offices are getting swamped with these types of questions, and there are a lot of good resources. Certainly in the manufacturing sector, we've created our own website to help them. It consolidates all the government information and the best private sector information. For example, what does a safe return to work look like in a manufacturing environment in a COVID-19 world? What type of barriers do you need to put in place? How do you protect your employees? We've written guides on that. We have done extensive work on it, and we're providing it free of charge to anyone who wants to go on our website and get it. Those tools are invaluable to small companies who don't have internal resources. The tools are out there. You just have to know where to look in some cases.

Ms. Jenny Kwan: I think it also speaks to the importance of paid sick leave, because some people don't have access to paid sick leave. I know that it's not the case for all companies, but that certainly is the case for some.

I have constituents who at the beginning of the COVID-19 pandemic actually had to quit their jobs because they could not access sick leave. They did not feel that they could put others in jeopardy. They had symptoms, although they didn't know if it was COVID, but still, they were concerned about it.

I just want to flag that as an important component to make sure that we get that in place.

The Chair: Thank you, Ms. Kwan. You're past time.

We're going to go to Mr. Vis, please, for five minutes.

Mr. Brad Vis (Mission—Matsqui—Fraser Canyon, CPC): Thank you, Chair.

Mr. Wilson, you've said a lot today that requires a lot of additional analysis. All of the questions and answers so far have been very helpful. I've been taking notes as we've moved along and trying to rewrite what I was going to ask you.

First off, I think it would be safe to say that had we not increased the wage subsidy from 10% to 75%, a lot of our manufacturing sector would be struggling even more than they are right now. Would that be correct?

Mr. Mathew Wilson: Very much so.

Mr. Brad Vis: Okay. Excellent.

On GM, the government announced that they were going to produce 10 million masks, but there have been other estimates stating that Canada needs about 3.3 billion masks. How is Canada's manufacturing and export sector adapting to meet this challenge?

Mr. Mathew Wilson: In the survey that I mentioned, we actually found that almost a quarter of the companies that responded had shifted to manufacturing some type of PPE—face shields, masks, gowns—and that's right across the country. The response has been incredible. It really has. I think Canada should be incredibly proud of what the manufacturing sector has done; certainly, I am. I'm a long-time advocate for the sector, so of course I'm always proud of them, but I think it really has shown the critical value that manufacturing can bring to the country.

At the same time, I don't think we need to shut ourselves off from the world and say that we need to make all this stuff at home, in part because we're never going to be able to manufacture everything that we might possibly need for any type of crisis. Those trade agreements and our relationships with other countries are really, really important. I think what happened with the United States through part of this was regrettable, but thankfully it got sorted out through a lot of hard work by a lot of people.

Something we've talked about with some officials, for example, is, could we create something like a defence procurement act like we have with the United States to introduce something around PPE and other critical devices [*Technical difficulty—Editor*].

• (1745)

Mr. Brad Vis: That's an excellent point. It actually brings me to another question that I wanted to raise.

Given the events that have happened with China this week and some of the things we've been hearing in the media about possible trade sanctions and a frayed relationship, how do you think Canada's manufacturing sector can play a role in improving Canada's security, either by enhancing our trade relationships or by ensuring that we have enough domestic supply to meet the needs not just for COVID-19 but for other crises down the road, as you've mentioned?

Mr. Mathew Wilson: There already is, I think, a growing demand. I think there's been a shift away.... China became kind of in vogue about 20 years ago, when they entered the WTO. It became easier to get stuff into our market, because it was a low-cost manufacturing jurisdiction, although they're not as low cost as they used to be. Also, I think we've found out through this and other events that they're not a stable and secure supply of key things at key times. That's not just for PPE. That's also for sub-assemblies and other things that manufacturers use and import, or for consumer products and other things like that.

I don't think the demand for China and Chinese goods and their role in global supply chains is going to change immediately, but I think that over time there's going to be a real opportunity, and there's going to be a shift in consumer, business and government demand for more locally made products. I don't just mean “buy Canada”. I mean that it will probably be more of a “buy North American” type of approach in leveraging things like the Canada-U.S.-Mexico free trade agreement to bolster up the domestic manu-

facturing capacity within this region and to supply yourselves first and then export from there.

We were super thrilled that in that agreement there's a very little known clause in Chapter 26 that talks about domestic “North American” industrial “competitiveness”. It is basically about how are the three countries going to work together on domestic competitiveness. That's the key. If we don't fix our competitive imbalance that we have with China and the rest of the world, we never will stand up the size of manufacturing sector that I think we can or that we deserve.

Mr. Brad Vis: Thank you. I'm going to go into another couple of questions really quickly, because I'm on short time here.

You mentioned that consumer spending is part of a recovery approach. In the last election, the Conservative Party considered bringing back programs for, say, an efficient furnace, or for replacing windows at home and getting a grant from the government. Would you guys be in support of similar programs to help bolster consumer spending moving forward?

Mr. Mathew Wilson: There are a number of things that governments of all stripes have used over time. Cash for clunkers is another one, as well as home renovation tax credits and efficiency tax credits. All of those would be welcome. It's for the major purchases that you need to get things moving.

The key part of it is that if you have a cash for clunkers program and you tie it to some sort of domestic manufacturing production, it not only boosts consumer spending, but also manufacturing activity. It doesn't have to be just a made-in-Canada program, but you could have some type of content levels on them.

Home renovation is huge. We manufacture a massive amount of those types of things in Canada: pipes, shingles, windows, doors, all of that kind of stuff.

Mr. Brad Vis: Thank you. That's super helpful.

The Chair: Thank you, Mr. Wilson.

Next we go to Mr. Vaughan please for five minutes.

Mr. Adam Vaughan (Spadina—Fort York, Lib.): Thank you for the insight, Mr. Wilson, in particular around some of the challenges we've faced but also some of the success we've had around manufacturing.

As we start to restructure, one of the things we know is that the group that has been hit the hardest in this are women in labour force.

As you start to look at, as you say, restaging the relationship between employers and employees, that's going to be a difficult one to deal with without supports around family care—mainly child care, but also, in this case, senior care.

What do you see as a way forward, to make sure that we get women back into the workplace as quickly as possible? What would you like to see to support manufacturing in this country?

Mr. Mathew Wilson: For a long time, we've been big promoters of advancing more women in manufacturing. We have a massive skills shortage, as I mentioned, and one of the problems we have is self-identification. We don't have enough women in the workforce. Only around a quarter of the workforce is women. That's a huge problem.

We actually have a challenge out there to increase the number of women in the manufacturing environment by 100,000. Our members, manufacturers across the country, provide great supports, on-site child care, for example, at some places.

Working with this government and the Minister for Women and Gender Equality, we've launched a program to try to attract more young women and girls into STEM careers, for example. That's where it starts. We are not going to change it over night, but we need get more women and young girls into education programs that are directed more at STEM. A lot of those engineering jobs, accounting jobs and the lawyers that manufacturers hire are reliant on STEM skills, and there are just enough women going into those fields. We need to fix the intake of them to be able to fix the long-term problem we have with not enough women in the sector.

• (1750)

Mr. Adam Vaughan: I just wanted to restate that the role of family supports—in particular, child care, but also elder care—is going to be a critical part of returning your full labour force back to the job site.

Mr. Mathew Wilson: Yes.

Mr. Adam Vaughan: In terms of re-opening, much of what you do takes place under provincial labour laws and provincial labour codes. However, is there a role for the federal government to establish guidelines for re-opening so that firms aren't doing it on an ad hoc basis, but rather that there's sort of a [*Technical difficulty—Editor*] to measure safety, to measure the capacity for manufacturers to operate safely?

Would you be open to working on federal guidelines that provincial guidelines could be leveraged off of?

Mr. Mathew Wilson: Yes, absolutely.

In some of the larger provinces—Ontario, Quebec and Manitoba, for example—where the bulk of manufacturing takes place in the country, they have large sophisticated sectors, and a lot of the companies actually work in all three jurisdictions.

The more you can get companies that have standardized, singular, regulatory approaches on anything—whether its PPE or health and safety in the workforce—the better. You obviously have a political issue on your hands, but certainly from a practical perspective, it makes sense to harmonize the guidelines approach as much as possible.

That's what we're trying to do, and it's the advice we're giving to our members, for sure. In fact, most of the guidelines and advice we're giving come out of Manitoba. We have a group in Manitoba called Made Safe, which is partly funded by the Manitoba government, and that's our centre of expertise in the country. It's not Ontario; it's not Quebec, but actually Manitoba. That's what's being used by us as the guidelines for across the country.

Mr. Adam Vaughan: It's not normal for us to hear industry come forward and talk about the need for good strong regulation, as well as investments in social programs, as a way of mounting a competitive and healthy business environment. I'm glad to hear you say that. We usually get advice to cut red tape, privatize everything and let people fend for themselves.

That said, good strong social programs and smart regulations do incur costs, both for the manufacturing bases and also for government.

As we move towards providing those supports, there is a lot of money being spent getting us through this pandemic, and there'll be a lot of money spent recovering.

How do we tax and spend our way smartly to make sure that we both create those smart regulations and those social supports, and also create competitiveness for you to rebound the industry?

What's the balance that you're looking to be struck?

The Chair: Give a short answer, please.

Mr. Mathew Wilson: First, I'd say that smart regulations could save everyone money. The problem that most businesses have is the dumb regulations that cost everyone a lot of money, including government. I think there's a big difference between the two, so let's be careful on that.

The second thing is that we can't tax our way out of this. We're going to have grow our way out of it. We need to make sure that we have really smart economic policies that drive growth long term. If we start driving up taxes, it's going to drive investment out of the country, and that's going to cause more problems.

I'll just leave it at that, succinct and short.

The Chair: Thank you, Mr. Wilson.

Next we will go back to the Conservatives, please, for five minutes.

Mr. Vis, please.

Mr. Brad Vis: Thank you.

Just on the last point raised by Mr. Wilson—and it's really, really important—I don't think Canadians want a tax increase when we're trying to get our economy back.

Mr. Chair, I'm going to ask one question, and then I'm going to pass it over to MP Kusie.

Mr. Wilson, would your organization be interested in exploring a new capital cost program to perhaps help manufacturers in Canada defray some of the additional costs they might be incurring to meet the new demands in a post-COVID world?

• (1755)

Mr. Mathew Wilson: We're always interested in exploring anything that helps people invest in the right ways to sustain long-term growth in the country, so we would always be interested in those conversations.

Mr. Brad Vis: Okay.

Second, I'm very concerned that the Parliamentary Budget Officer said that we don't have an overall economic plan for our country. I believe all of us would really benefit hearing from your organization and getting your testimony in more detail on the record moving forward.

Would you be able to provide us with more detail on an economic recovery plan?

Mr. Mathew Wilson: We will be releasing one next week, and I'd be happy to send it to the clerk for circulation.

Mr. Brad Vis: Thank you.

That's all, Chair.

The Chair: Ms. Kusie.

Mrs. Stephanie Kusie: Thank you very much, Mr. Chair.

I'll continue the questioning there.

Obviously, in the first phase of the pandemic, we were worried about public health and safety. Then we moved to economic supports, which are of course very important, but now I feel as though we are not focusing enough on economic recovery, both from a domestic and international perspective.

If I were the prime minister, I would be doing a complete inventory of all internal resources, everything from agriculture to energy, to textiles and to minerals, and after that determine the internal capacity for production. What are we able to make internally? What do we have in excess that we are able to trade internationally? Who will those trade partners be based and who we've seen act in good faith throughout, as well as prior to, this pandemic? What will we have to bring internally so that we are prepared in the future to be more self-reliant in, God forbid, the face of another pandemic or another horrible international incident or even continued peacetime?

You said that you have a plan coming out next week. Can you say the three things you would do along this line? I'm just concerned that we're not moving fast enough both domestically and internationally.

Mr. Mathew Wilson: Interestingly, all of your points about what we should be doing are part of our plan, but the other thing that's really interesting is that a lot of these aren't new. I've been before this committee talking about some of these things before. I guess

now we have a platform where people seem to care a lot more about what's made in Canada.

Outside of what you said, yes, we need to be competitive; yes, we need to invest in technology; yes, we need to invest in our people. There are two other things I'll say too.

One, we need to look at where we have strategic advantages and grow off of those. We do not do a good job in this country of taking advantage of the opportunities we have in front of us. For example, agri-food is massive. We undervalue agri-food production in this country. I think during this crisis we've seen how important it is that we can put food on the table.

Second is energy, oil and gas, but beyond oil and gas, renewables, wind, solar, all of that. We are an energy superpower—

Mrs. Stephanie Kusie: We are.

Mr. Mathew Wilson: —and the world's always going to need more energy. We need to figure out a way to make sure it's green and clean and that we can provide it to the world. I believe we can provide more energy efficiently than anyone around the world. How do we develop that?

The third piece would be around technology itself. We manufacture awesome technologies in this country, whether software, hardware or the integration of the two of them. How do we use that and leverage it to create a domestic advantage for our industries so we can compete against the rest of the world? Those are some of the things we're going to be talking about.

Then, how do we compete better with our supply chains? How do we stand up better supply chains across North America to compete against China and other parts of the world? It's been a long-standing frustration that we just seem to want to be able to import everything in our free trade agreements. Not just one political party, but all political parties over time seem to be focused on getting our natural resources to market instead of building more value here and exporting the value product.

Mrs. Stephanie Kusie: And a focus on necessity and economy rather than ideology.

Thank you, Mr. Wilson.

The Chair: Thank you, Ms. Kusie.

Next we will go to Mr. Housefather.

You have five minutes, please.

Mr. Anthony Housefather (Mount Royal, Lib.): Thank you very much, Mr. Chair.

I have the time as 5:59. Do I really have five minutes?

The Chair: Yes. Go ahead.

Mr. Anthony Housefather: Okay. Thank you very much.

Mr. Wilson, as someone who came from this sector—I worked for a manufacturing company where we manufactured, out of choice, the vast majority of our products in North America because of the high quality of product we could make here despite the lower costs in the Far East—I want to thank you and your organization for all you do. It is really, really important.

We've talked a lot about the government programs that have been rolled out that your organization has taken advantage of. I want to give you the opportunity to talk to us about this: If you could add or change one program, what would it be? What would your membership most want to see?

• (1800)

Mr. Mathew Wilson: The biggest one is the wage subsidy. I talked about that.

The other one that's out there at the federal level that will not work for our sector at all and that I didn't mention is the rent subsidy program. It won't work for us, in part because it's too small. Second, there's very little incentive in it for landlords themselves to go out and get the subsidy on behalf of the tenant. That's the big one that will come up as that program opens up. We probably need to see that changed so that the tenants are applying in the same way as the wage subsidy works.

Mr. Anthony Housefather: Thank you very much. Of course, if you look at it and you give the money to the tenants, then you're not necessarily making sure it goes to rent. There's a bit of a difficulty there. We also know that this is in provincial jurisdiction. If we want to make sure that the landlords are required to apply for these programs to benefit the tenants, the provinces actually need to act in concert with the federal government as we develop the program together.

But I appreciate the sentiment. I've been working very hard, and I know my colleagues from all parties have been working hard, trying to convince landlords in our ridings to participate in the program. I think it's a very important thing to help manufacturers and other Canadian businesses.

Another passion that I know we share, having looked at comments that you've made, relates to our trade relationship with the United States. They are our biggest trading partner, the partner that we need the most to be onside with. What steps do you believe this government should take to improve...?

I mean, the fact that we reached the revised NAFTA is incredibly important. The fact that we have been able to work out with the United States that PPE is able to be imported from the United States is very important. What would be the number one priority for your group in terms of our relationship with the United States?

Mr. Mathew Wilson: It would be fully implementing the new deal. There are huge opportunities in the new deal that I think are undervalued by people. The increased regional content value, for example, in automobiles could be a huge win for Canada underneath the deal.

We're working with Minister Ng's office to try to get the committees set up specifically on SMEs, on regulations and on industrial competitiveness. Those will be foundational to make sure that we have the right implementation strategy around those.

So yes, get it going, get it implemented and let's see how we can take advantage of it. Most importantly, we can't look at this as, "How are we competing against Mexico and the United States?" This has to be about, "How are we leveraging this deal to compete with the rest of the world?" If we're not doing that, I think we're missing the boat on what the whole idea of the regional integration really is.

Mr. Anthony Housefather: I agree with you. This has to be a "team North America" type of approach. I also believe that people greatly undervalue the improvements that were made to this deal and how important this deal is to Canada foundationally.

I'm looking at the chair and I can see I'm running out of time, but my last question is about PPE. We've talked about, and you've already talked about, how important it is to domestically supply the PPE we need. We can also take that as a North American approach and have an agreement with the U.S. and Mexico related to PPE importation.

Can you just talk a little bit more about how Canadian manufacturers have stepped up to the plate? It's been incredible to watch those in my riding who have converted their premises to make PPE equipment. I just want to give you a chance again to herald your group.

Mr. Mathew Wilson: I know we're really running out of time here, but the hats off to the companies themselves. As soon as the call went out from the Prime Minister and premiers right across the country, our members flooded us with calls on how they could get involved, what they could do. A lot of them weren't asking for money; they weren't asking for anything. They just immediately switched for one reason: It was Canada; Canada and the health care workers needed it.

I talked to companies from coast to coast that weren't looking for contracts; they weren't looking for nothing other than to give their capabilities, their expertise and their support to their communities. That was it. Thousands of companies from across the country did this.

Interestingly, though, the frustration has been and continues to be that in some cases they switched over and these things.... I was talking to a company today in Ontario that made shields. They have thousands—I think he told me 10,000 of them—sitting in their factory that they can't get rid of because they can't get Health Canada clearance, even though they were promised it would be done rapidly. These have been sitting there for weeks.

It hasn't been as smooth as we wanted, but the companies stood up and still fought through all the barriers they faced. With a lot of it, they're just giving it away. They're giving it to local hospitals and health care workers, and first responders such as police and others.

It's been an amazing response. I think Canada should be very proud of this sector and what we've done.

The other thing I'll say—because it's my last comment, Chair—is thank you, all of you. All parties have stepped up. You've listened to the support that we've asked for. Frankly, across the board, from all political stripes, from all governments, you've done a terrific job. Thank you for everything you've done as well.

• (1805)

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

Thank you, Mr. Housefather.

[*Translation*]

Ms. Louise Chabot: Mr. Chair, before the witnesses leave, I'd like to ask you something.

Since the other parties have used up their time, I'd like the Bloc Québécois and the NDP, in all fairness, to have their five minutes. It's currently 6:05 p.m., and we could continue the meeting.

The Chair: Ms. Chabot, according to the rules, your next turn is two and a half minutes. I'm ready to proceed with the witnesses and give two and a half minutes to you and Ms. Kwan if there is no objection from the other members.

Do we have unanimous consent to proceed? I see we do.

You have two and a half minutes, Ms. Chabot. Go ahead.

Ms. Louise Chabot: Thank you.

My question is for Mr. Keyhani.

There's a lot of talk about e-commerce and digital skills development. In a recovery, e-commerce and buying local are very important, but to develop all of this, the regions absolutely must have access to the Internet.

Why do you think it is impossible to develop the network in the regions? Is it because it's less profitable for urban businesses than for rural ones? Is it because governments should invest more? We have been talking about this for a long time, and we believe it should be resolved.

[*English*]

Dr. Mohammad Keyhani: Ms. Chabot, I completely agree. The telecom infrastructure in Canada is definitely an area in need of improvement. To be honest, there are developing countries that have better telecom infrastructure in terms of its availability in remote areas and the price of Internet access. That's definitely an area that we need to improve on.

Most observers I've seen, and I'm not a complete expert in the area of economics of telecom—

[*Translation*]

Ms. Louise Chabot: What do you think is preventing it?

[*English*]

Dr. Mohammad Keyhani: As I was saying, most observers I've seen point to a lack of competition in the telecom sector as a driver of this situation in Canada. I believe that the technology and the capabilities are there; the companies that can do it are there but need to be attracted to invest in Canada to open up competition as much as possible.

[*Translation*]

Ms. Louise Chabot: Isn't it also a question of profitability? It's less of an issue in urban areas than in rural ones. Canada is a big country, we understand that. Shouldn't it be seen as an investment, rather than an expense? Is it because it isn't profitable enough for these companies?

[*English*]

Dr. Mohammad Keyhani: Definitely. This—

The Chair: Give a short answer, please, Professor Keyhani.

Dr. Mohammad Keyhani: I don't think that is the only problem, although in remote areas that might be a problem. I think that by seeing it as a crucial infrastructure investment, the government could support rural areas. I think the problem is bigger than that. Even in urban centres, the prices are far too high compared to other countries.

The Chair: Thank you.

We'll go to Ms. Kwan now.

You have two and a half minutes, please.

Ms. Jenny Kwan: Thank you very much, Mr. Chair.

I want to turn to Mr. Keyhani as well.

Thank you so much for raising the issue of the situation for international students. You're absolutely correct in the sense that they pay to study here and that they pay a much higher tuition. Of course, Canada looks to them, as well, for our immigration contributions. Now that they're in a tremendous time of need, it feels a bit like we're abandoning them because they don't qualify for the Canadian emergency response benefit.

To that end, you've called for the government to make this change. Would you say that if they are international students who are here in Canada, they should also then be qualified for the CERB—like other Canadians and like other temporary foreign workers, for that matter—if they qualify for the program?

• (1810)

Dr. Mohammad Keyhani: I believe there are students who lost income in a significant manner, which does make them eligible through that particular requirement of the CERB.

From what I've seen around me, people who have applied have actually gotten the CERB. I don't know if it will turn out later that they were ineligible, but I think they should be eligible for the CERB as well.

Ms. Jenny Kwan: Thank you.

I just want to turn quickly back to Mr. Wilson. We were talking about the commercial rent subsidy issue. Many people do not qualify. From your sector, or even for businesses, would you say that one key change the government needs to make is, in fact, to allow small businesses to apply for the rent subsidy and for it to not be tied to the mortgage?

Mr. Mathew Wilson: I'm not sure about the tie to the mortgage, but certainly our recommendations to government so far—and what we'll be saying more publicly—is that it should be on the renter, not the leaseholder, to do the application. It's for the same reason as the wage subsidy program, where the employer gets it, not the employee directly. It's a lot easier to manage the system that way. In other words, we believe that it should be changed around. It would make it a lot easier for companies. There's very little incentive for landlords to offer it and apply.

Ms. Jenny Kwan: Yes. With regard to the issue that, somehow, if people get that rent subsidy, they won't apply it to the rent itself, I mean, the government can get around that. It can have them actually show their lease agreements, show each month. There are ways in which I'm sure the business sector can help the government to verify that, in fact, that money is indeed for the commercial rent.

The Chair: Thank you, Ms. Kwan.

You have time for a very short answer, if you wish, Mr. Wilson.

Mr. Mathew Wilson: Yes.

The Chair: That's excellent. Thank you.

To both witnesses, Mr. Wilson and Professor Keyhani, thank you so much. You can tell how much MPs were interested in your remarks by the extension of the time.

To my colleagues, thank you very much for the courtesy that you showed to your colleagues in doing so.

Again, thank you. Your testimony will be very helpful to us as we move along with this examination.

We're going to now suspend for three minutes to queue up the next panel. We are suspended.

• (1810) _____ (Pause) _____

• (1815)

The Chair: We are back in session. I would like to thank our witnesses for joining us today.

We have with us from Canada's Building Trades Unions, Robert Kucheran, chairman, executive board; and from the Canadian Chamber of Commerce, Leah Nord, senior director, workforce strategies and inclusive growth. We're going to start with Ms. Nord.

Please, go ahead for 10 minutes.

• (1820)

Ms. Leah Nord (Senior Director, Workforce Strategies and Inclusive Growth, Canadian Chamber of Commerce): Thank you, Mr. Chair, vice-chairs and committee members. It's a pleasure to be here before you this evening.

My name is Leah Nord, and I am the senior director of workforce strategies and inclusive growth at the Canadian Chamber of

Commerce, working in the areas of skills, the future of work, immigration, employment standards and practices, diversity and inclusion. My comments today will focus on these areas within my portfolio, with reference to not only the crisis period but also the reopening, recovery and return to the new normal that is happening with different timing and stages across the country.

The Canadian Chamber of Commerce is the voice of Canadian business. We represent 200,000 businesses across the country, across sectors and across sizes. Our network consists of 450 chambers of commerce and boards of trade, alongside over 400 corporate members and an equal number of association members. We believe that one of the most impressive aspects of the response to the crisis, and what will hopefully be one of its most significant legacies, is the team Canada approach that has been taken.

The centrepiece of the Chamber of Commerce's response during this crisis has been the Canadian Business Resilience Network. It is supported by government in partnership with our network and members, as well as our partner business associations. This inclusive and bilingual campaign, including a microsite, has proven to be a successful, centralized and authoritative source of information, best practices, tool kits and thought exchange that have allowed and will continue to allow businesses to prepare, persevere and eventually prosper.

Looking more specifically to the labour force, to state the obvious, the crisis has had a detrimental effect on Canada's workforce. Through the April 2020 Canadian Chamber of Commerce and Statistics Canada Canadian survey on business conditions, we know that Canadian businesses have undertaken many efforts to support their employees through the crisis and to keep them connected to the labour force.

Innovations include remote work, e-commerce and work sharing. Nonetheless, we also learned through the survey that 40% of businesses had laid off staff and 38% of them had reduced staff hours or shifts. Stats Canada will be back in the field next week with the second round of the survey. We look forward to gaining further insights and seeing if and how attitudes and practices have shifted as the crisis has continued.

Further, a March and April 2020 labour force data survey indicates that since the start of the crisis three million Canadians have lost their jobs—90% of them temporarily—and more than eight million have applied for the Canada emergency response benefit and Canada emergency student benefit.

Not surprisingly, in the initial phase of the crisis the most significant job losses were in accommodation and food service industries. Initially, populations most affected in the first phase included youth, women and those working in less secure lower-quality jobs. Goods-producing sectors were most affected in April, particularly manufacturing and construction.

Sectors including tourism, wholesale and retail trade, education and recreation have also experienced employment declines of up to 35%. The crisis has also compounded preceding downturns in sectors such as oil and gas and forestry, and pivots in sectors such as manufacturing and mining. It has also highlighted the needs in transport and warehousing, health human resources and food retail, underscoring the importance of the country's essential workers.

As I turn my comments to the reopening and recovery periods, I will underscore that many businesses across the country, across sectors and across sizes are still very much in crisis mode. For example, Monday is June 1 and even in light of recent announcements such as the one on Canada emergency commercial rent assistance for small businesses, many members are wondering if and how they are going to make the rent this coming month.

Specific to the reopening period, the Canadian Chamber of Commerce has developed a series of recommendations, including on the importance of leaning on international best practices and ensuring interprovincial alignment. We also believe that although emergency temporary financial support programs have been needed, and in fact have been crucial to help some companies and individuals stay afloat through the pandemic, there is also a longer-term need to ensure sustainable public finances.

We also appreciate that there continue to be more questions than answers right now. The crisis has shown us that the best public policy is made when it widely draws upon the advice of civil society, including businesses both large and small across sectors. The conversations need to start now in a structured manner to ensure that governments at all levels are receiving the best possible advice to minimize unintended consequences.

• (1825)

An excellent example of this is the creation and composition of the federal government's COVID-19 supply council, which includes representatives from business, labour, many sectors and non-profits, and the voices of academics, women and aboriginal business.

As we look further to recovery and a return to the new normal we need to get Canadians back to work. Canada's workforce will simply not be the same as we move into recovery. In the span of a few short months, we went from one of the tightest job markets in recent history to unprecedented job losses. Unemployment may not return to pre-crisis levels at any point soon. Available jobs and skills required will shift. Employers may increasingly look to automation to maintain operations during future crises and reduce risk.

Canadians will need reskilling, upskilling and skills training programs to get them back to work. Education and training will also change, including more online and hybrid learning, an importance on durable skills, and a focus on both work-integrated learning and

lifelong learning. Ensuring that all Canadians have opportunities to participate in the recovery will be essential for inclusive growth and widespread job creation.

With this the Canadian Chamber of Commerce has three main recommendations.

First is to ensure inclusive growth in the recovery period. In the first instance, this means inclusive voices need to be represented at public policy and discussion forums. I gave the example of the federal government's COVID-19 supply council. This must be replicated at all tables and levels of government, as well as in boardrooms and leadership meetings, at labour and union tables, in occupational health and safety committees, and in business operations and return-to-work discussions.

Second, Canada needs a comprehensive review of the employment insurance program. In prefacing this recommendation, I would like to say two things: First, this is a long-standing recommendation of the Canadian chamber, and we have any number of policy resolutions over the years on this issue; and second, with this recommendation we are not diminishing the incredible work of the federal public service in response to the crisis in developing and implementing programs such as the Canada emergency wage benefit, the Canada emergency relief benefit and the Canada emergency student benefit. Quite the opposite, they all deserve widespread praise.

However, we believe it is telling that these programs were necessarily situated outside the EI program framework. Moving forward, we need to identify the reform needed to build a system that can respond to current and future workforce needs to ensure Canadians remain connected to the labour force, and that includes strong upskilling and reskilling training components.

Our third recommendation to get Canadians back to work is to use local labour market information and real-time data to develop labour market solutions created by business for business, led by sectors for sectors and tailored by communities for communities. In doing so we advocate the use of chambers of commerce and boards of trade as local hubs for employer collaboratives that can provide facilitated time and space for businesses to share, collaborate and plan.

These are unprecedented times and there is no playbook to turn to. Policy and programming recommendations for recovery at this point are conjecture at best. There needs to be a thoughtful, inclusive and measured approach to the response. This is exactly what the Canadian chamber's proposal, called the "Talent Pipeline Management: A Canadian Economic Resiliency Program" is designed to do.

Just briefly, because I am aware of the time, this is a program that prioritizes the alignment among education, training, support and workforce systems. It is a program that has been implemented by our colleagues in the U.S. across 33 states. It has taken place at the state level, as well as the regional level; large cities and smaller rural towns have been involved. It has even been used by individual companies in their internal business practices. It has involved the creation of employer collaboratives in a wide range of sectors, including hospitals, health care, construction, manufacturing, utilities, education, cybersecurity, fintech and IT. It has also been used to form collaboratives organized along supply chains, and it has proven to be self-sustaining after initial seed funding.

During the crisis, the U.S. Chamber of Commerce Foundation has been infusing its academy curriculum with a recovery focus and using its national learning network to share challenges, solutions and best practices. There has been success in retaining workers in sectors, keeping them tied to their sectors, as well as identifying workers' crosswalks, upskilling, reskilling and career pathways.

- (1830)

The overarching benefit of this is that it allows for managing and mitigating both major expansions and contractions in the economy and the workforce, it builds resiliency and it future-proofs workforce planning.

With that, I'll thank the committee members for the opportunity to appear today and look forward to answering any questions.

Thank you.

The Chair: Thank you, Ms. Nord.

Mr. Kucheran, you have the floor for your opening statement. You have 10 minutes, sir. Go ahead.

Mr. Robert Kucheran (Chairman, Executive Board, Canada's Building Trades Unions): Good evening, Chair and members of the committee. Thank you for the opportunity to address this committee and the government's response to the COVID-19 pandemic.

My name is Robert Kucheran. I'm the chairperson of Canada's Building Trades Unions, an organization representing 14 international unions that represent over half a million highly skilled and highly trained workers in the construction, maintenance and fabrication industries in Canada.

Our more than 500,000 men and women are employed in constructing everything from a garden shed through to the largest megaprojects in Canada. We have members employed at virtually every refinery, pulp and paper mill, potash facility, generating station and nuclear plant, and in commercial and institutional construction that includes roads, bridges, overpasses, hospitals and all

forms of civic infrastructure. The construction and maintenance sector annually represents approximately 14% of Canada's GDP.

Our work is done not just on the job site but also in a number of facilities and fabrication shops that are incorporated into the structures we work on and, once structures are built, we are often later employed in their operation, renovation, maintenance and repurposing.

We are the single largest trainer of apprentices in Canada. Each year, we invest over \$300 million of our own funds across our 175 training centres to ensure our members are the safest, most skilled and highly qualified in the industry. We work closely with our employer partners to try to ensure that Canada has a future supply of highly skilled and well-trained tradespeople through our training centres, which can be found in every province and region in Canada with the exception of Quebec, which has its own unique system, as we all know. This system allows us and our contractor partners to meet the demands for skilled trade workers for today and tomorrow.

Today, Canada is facing unprecedented health, social and economic challenges. With construction being deemed essential in most provinces, CBTU members continue to build the critical infrastructure necessary to keep Canadians safe and healthy during this pandemic, but like it was for many Canadians, some of our members' jobs were impacted by the crisis, and they continue to be as we move forward.

I want to thank the government for their responsiveness to this pandemic, not only through the various ministries regularly updating and staying in contact with us, but through their work on programs, including CERB and CEWS. The government's swift response, as well as their commitment to continue to modify and adjust these benefits as needed, has helped to ensure our members and Canadians do not fall through the cracks.

While there are still improvements that can be made to these programs, such as including allowing unions to utilize their existing supplemental unemployment benefit, or SUB funds, to top up members' wages when they're collecting the CERB, we appreciate what has been done to date.

When the pandemic reared its head, the organized construction industry was swift to respond with a number of safety protocols on job sites, including increased hand-washing stations, the sanitation of sites, trailers and common touch areas, physical distancing, and proper PPE being made available and its use being enforced.

Through continued open communication with our employer partners, health and safety representatives and members, we have been able to quickly address any issues that have arisen. It is because of this that the numbers of cases on our job sites are minimal. We are proud of the responses of our industry, because our members' health and safety have always been our utmost priority. The unionized construction sector could be used as a model for other sectors.

That said, our sector has always been a leader, given the nature of our work, in ensuring our members have a safe work environment and proper protocols in place, have training to identify potential dangers on their jobs and, of course, have the proper PPE. The need for a greater availability of PPE to prevent the further spread of COVID-19 remains important. We urge the government to continue to do what it can to obtain sources of supply to ensure the construction sector can continue to operate in a safe manner.

Looking forward, as Canada comes out of the pandemic and the federal government considers an economic recovery plan, I want to remind the committee that the construction sector plays an integral role in advancing the economy and, historically, we have seen this trend help us emerge from recessions and even the Great Depression itself.

• (1835)

As the government stimulates the economy through infrastructure, we must recognize and be cognizant of the money spent and where and how it will be deployed in communities across Canada. Specifically, we have the opportunity to utilize our highly skilled, trained and mobile workforce to help build a stronger and more resilient Canada as we recover from this COVID-19 crisis.

We have submitted to the government a list of large, shovel-ready and shovel-worthy projects that could put people to work and create training opportunities for underemployed, unemployed and under-represented Canadians. The federal government has an opportunity to take a leadership role in investing and securing Canada's critical infrastructure, both in the short term to get people back to work and bolster the economy, and in the long term as an economic catalyst to build the Canada we all want for future generations.

The federal government could show leadership by incorporating community benefit agreements, CBAs, not only through the thought process but more importantly through acting upon its federally funded projects. CBAs support the hiring and training of local workers and under-represented groups, including women and indigenous people. They often contain provisions that enable apprenticeships, guarantee prevailing wages and establish grounds for workplace development initiatives to provide funding and economic support for impacted communities, utilize local suppliers and manufacturers, and set forth training for minority, women and local hiring.

In the provinces where CBA has been enacted, we see, for example, that the number of women entering apprenticeships and completing their apprenticeship certification is significantly increased. For example, in Newfoundland, where a number of CBAs were utilized on major construction projects, women now count for 14% of the construction workforce. This is compared with roughly 2% to 4% across the rest of the country.

When considering post-pandemic recovery, investing in local communities will lift all Canadians up. We can do that through training and skills development by providing support and assistance to organizations as well as on projects to help train Canada's future workforce through the apprenticeship system.

Over the next 10 years, at least 21% of all the current workforce will retire. The ability to fill this gap and meet the demand depends on the availability of workers with the portable experience, skills and qualifications in their trades. The infrastructure for providing training exists in Canada through many training centres provided by our affiliates, but without ongoing support from the government and our employers, our industry suffers.

Historically, the larger the construction project, the more opportunity for apprentices to learn their crafts and obtain the hours to become journey people. A focus on apprenticeships and requiring apprenticeships on site on any infrastructure investment is key to building Canada's future workforce.

In conclusion, on behalf of the CBTU, our 14 affiliates and over half a million members, I want to thank the government for their quick response during these unprecedented times. As the government looks past the pandemic and looks towards economic recovery, we ask the government to help ensure that Canadian tradespeople are able to work in a safe environment according to the guidelines from applicable governments and health authorities, which will require the continued sourcing of PPE and enforcement of safety procedures and protocols.

The government must ensure that any economic recovery plan includes investing in all Canadians. This could be achieved through investing in major infrastructure projects that support Canadian tradespeople in the communities they live in by instituting community benefit agreements. This in turn will help lift all Canadians up and continue to build a better and stronger Canada.

I want to thank you, Chair and committee members, for allowing me to appear before this committee. I look forward to any questions you might have for me.

Thank you.

• (1840)

The Chair: Thank you, Mr. Kucheran.

We're going to begin with questions now starting with Mr. Albas, please, for six minutes.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Thank you, Mr. Chair.

I would like to thank both our witnesses for being here today and for sharing some of their expertise.

Mr. Kucheran, I think I'm going to start with you.

We just had the Canadian Manufacturers & Exporters come in. One of the things that their testimony revealed is that traditional markets like exports, particularly energy exports, can really help us to grow our economy. Obviously the building trades are going to be a big part of that.

How big of a role will energy projects, specifically export capacity development, play in our eventual economic recovery from the COVID crisis, in your opinion?

Mr. Robert Kucheran: Of course, we've always supported the oil industry and the development of the oil industry in Canada, because it is a significant contributor to Canada's GDP in all sectors.

As you know, our members go to work from right across Canada into the Wood Buffalo area and bring back to their own communities money that's spent locally. We believe that recovery is very important. We believe that the pipelines that are going to be built are critical. We look forward to the ability to get that crude oil out of Alberta and to people who are willing to pay a fair market price for it.

Mr. Dan Albas: Thank you for answering that.

What is your opinion on the potential cancellation of the Keystone XL pipeline and the impacts that would have on the Canadian energy sector and your sector?

Mr. Robert Kucheran: They're very important. Of course, I heard former vice-president Biden make those comments last week. That concerns us, as it would anybody in the construction industry.

We're monitoring that, and we're doing what we can in Canada—but also, more importantly, stateside—to get people around those issues to listen to us.

Mr. Dan Albas: Thank you, sir. I appreciate your breath of fresh air.

I would like to now move, Mr. Chair, to Ms. Nord from the Canadian Chamber of Commerce.

Ms. Nord, we've seen such a slow uptake of the wage subsidy, slower than what anyone, particularly the government, expected or planned for.

As you represent a great many businesses, why do you think that is?

Ms. Leah Nord: I think that we're seeing a number of factors at play. The first would be timing. The program only started on May 1, about six weeks after the crisis, so a number of job actions had already been taken.

There is the issue around eligibility. I'll give credit where credit is due: There's movement being made. Even today, I understand, my provincial and territorial colleagues were on a call with representatives from the Department of Finance with some recommendations, again, around the eligibility, about the drop in revenue.

There are issues around companies and non-profits that use third party payment providers not being eligible, and there are other issues with the revenue drop with regard to mergers and acquisitions through this period of time if you haven't been in business for a year. I know that we at the Canadian Chamber of Commerce are

advocating for furloughed employees to allow greater flexibility with the wage subsidy in order to bring it back.

I think it's important as well to....

We've started reopening, and it's happening at different stages and paces across the country. As we sit here in Ontario and watch other jurisdictions that are not even in our realm, it's a reminder that many businesses were not considered essential services. They were not open, or the extent to which they could be open will not allow them to take up this program until the reopening and recovery have really taken hold.

Mr. Dan Albas: I take your points about the speed in eligibility put out by the federal government on this.

You have written about the specific impacts of this crisis on retail and how that recovery will be different from previous ones as a result of those impacts.

What changes from the previous recovery policy do you think that the government needs to look at this time?

Ms. Leah Nord: That was just issued this week, as I referred to, so thank you for that question.

We had done the Canadian survey on business conditions and we were able to slice and dice the data in any number of ways, including by sector. We also sliced it by who owns the business. The retail sector, as I said in my comments, was hit hard, fast and first.

A lot of businesses and employees, including business owners of businesses that are female-owned, were hit hard in that initial stage because of the composition of the retail sector. Historically, in previous recessions, what you'll see is first sector in, first sector out, or first sector back in. We don't believe that is going to happen with a lot of these.

In the first instance, it's something that I alluded to before. It's inclusive growth and having those inclusive voices at the table. If retail isn't at these tables and these discussions, then it can't be part of the solution. We have a consortium of six business associations, and the Retail Council of Canada is one.

I think we also have to look at how to drive consumer spending and economic development. I heard from the previous session the idea that we can't tax ourselves out of this, that we have to grow, and there's any number of ways that we can do that, including getting people back into the workforce so that they have income to spend.

• (1845)

Mr. Dan Albas: You said that the Retail Council of Canada is part of it. I know that the Business Council of B.C. has come out against the idea of what's been floated by the Prime Minister and John Horgan, the premier of British Columbia, regarding a 10-day sick leave.

What is the Canadian Chamber of Commerce's opinion on this?

The Chair: Give a short answer please, Ms. Nord.

Ms. Leah Nord: We are considering it. I think that we have to discuss the difference between the short term—this opening and recovery period—and in the longer term, as I alluded to in my comments.

It would be part of a larger discussion and of EI reform writ large.

The Chair: Thank you, Mr. Albas. Thank you, Ms. Nord.

Next we have Ms. Young for six minutes.

Ms. Kate Young (London West, Lib.): Thank you very much, Mr. Chair.

Thank you to our witnesses. It's very insightful information that you've given us tonight.

I want to start with Mr. Kucheran. I am also sharing my time with my colleague Mr. Long.

Mr. Kucheran, I was so glad to hear you talk about women in the trades. It has always been a challenge to get more women involved in the trades. I'm wondering if you think this crisis will make that even more of a concern, or whether you see this crisis as an opportunity to show young people, especially young women, that the trades are worth considering.

Mr. Robert Kucheran: It is an opportunity for us all to engage, particularly with women. As I said, community benefit agreements allow greater access for women to get into the trades. As I mentioned, there's the success story in Newfoundland. That was made available because of the CBAs and the requirement to have women as a part of the workforce.

When I was growing up and entering the trades many, many years ago, typically what happened was your dad or your uncle took you out of the basement because you were hanging around—not playing video games but playing Pong back then—and grabbed you by the scruff of the neck and took you to the union hall to be signed up. That doesn't exist anymore. Parents often encourage kids to be university graduates or college graduates.

Without that, we need somebody else to step up on behalf of women in the trades, as well as indigenous groups, under-represented groups, new Canadians—all of those categories. The government has an opportunity to institute community benefit agreements as part of the infrastructure plan, as part of the funding requirements. I think it's a great opportunity. We can achieve the kinds of results we have achieved in Newfoundland anywhere else in Canada.

Ms. Kate Young: Thank you very much for that.

Ms. Nord, I've had a number of opportunities over the past two months [*Technical difficulty—Editor*] across southern Ontario, and I was struck by how complimentary chamber members have been about the government's quick response to this crisis. I think all of us can agree that it was important for us to act very quickly. I certainly love what you said about a team Canada approach.

How do you think this crisis will change the way the chamber interacts with government and with chamber members?

Ms. Leah Nord: I think it is one strength of the Canadian chamber and our network that we have a footprint across the country in

these smaller communities. I heard questions earlier about getting information out to the small businesses on Main Streets across the country. The chamber can really serve that purpose.

As I alluded to in my remarks, we're looking to reinvigorate the economy by using our local chambers and that network to form these collaboratives, to allow the time and space for those small and medium-sized businesses along sectors or even just together to have that collaborative time and space to look at labour forces, to discuss the crisis, to share best practices with each other and with other chambers as well.

We do a weekly webinar call on a whole range of subjects that has probably between 300 and 400 members, and we often bring in experts from the government as well to talk about some of these programs and explain how to apply and so on and so forth.

That's really the strength of what the chamber does. I see this continuing or reinvigorating our role for Canadian business across the country.

● (1850)

Ms. Kate Young: Good. Thank you very much, Ms. Nord.

I'll pass it on to my colleague Mr. Long.

Mr. Wayne Long (Saint John—Rothesay, Lib.): Thank you, Mr. Chair.

First, Chair, I want to take just a few seconds to correct the record on eligibility criteria for the CECRA. In the last panel my colleague from the NDP implied, I think for the second time now, that only mortgaged commercial property owners could apply for the CECRA. That is not true. Non-mortgaged commercial property owners can apply for the CECRA. That's clearly stated on the CMHC website.

Mr. Kucheran, I have a question for you. I want to thank you. I want to thank you and leaders like Matt Wayland, Steve Schumann, and the CBTU, who represent workers who build and continue to build our country.

My question to you is this, sir. Do you see federal investments in construction, infrastructure, and the development of emerging industries, like the SMR industry in my province of New Brunswick, playing a key role in restarting our economy and getting the workers that the CBTU represents across the country back to work in good, well-paying and substantial jobs as we emerge from this crisis?

Mr. Robert Kucheran: I totally agree. I think the government has a real chance to engage with us in our list of shovel-ready projects. That includes your province as well. I think those types of jobs or those types of projects are important to the overall health of Canada. More importantly, they'll contribute to the local economy and put people back to work.

I know it's been slow getting back. There are industries in New Brunswick that are slowly getting back, but we're going to need critical infrastructure projects in every province, including New Brunswick, to kick-start the economy. As I said, with certain provisions in those agreements, we can engage more local and under-represented groups and minority people.

The Chair: Thank you, Mr. Kucheran, and thank you, Mr. Long.

Mr. Wayne Long: Thank you very much.

[Translation]

The Chair: Ms. Chabot, you have six minutes.

Ms. Louise Chabot: Thank you.

Mr. Kucheran, I'd like to ask you a question. When you testified before the Standing Committee on Finance regarding government contracts, you talked about assistance in meeting the conditions, and that's normal. There is a call for a recovery, and it will be necessary to rely on infrastructure, but there are conditions to be met in terms of occupational health and safety.

Have you had any response from the government to the requests you've made? If so, does it meet the requirements for recovery in your sector?

[English]

Mr. Robert Kucheran: Thank you for the question. As far as I understand it, you're asking what the government has done to continue with the success.

[Translation]

Ms. Louise Chabot: Has the government responded to your requests?

[English]

Mr. Robert Kucheran: Oh, okay. Well, we applaud the government for what they have done so far with incentives like the CERB program.

As well, I realize that health and safety tends to be a provincial matter, but the federal government, through the Minister of Public Services and Procurement, can ensure the supply of PPE. That supply is critical to keeping our industry going. We were deemed essential. It was because of the procedures and protocols put in place, with co-operation with our employer partners, that we were able to keep our COVID-19 infection rate down. If you look at our industry, we were affected minimally by that. That's in large part because of the availability of PPE, so I'm happy with the government's actions in making that available. We will continue to need those levels of supply in all sectors in construction.

● (1855)

[Translation]

Ms. Louise Chabot: There's another question I can't help but ask because you talked about the percentage of women in the construction industry.

It's a reality in Quebec. We have incentives to encourage women to work in non-traditional jobs. However, women who do so often leave their jobs because the working conditions put in place by the businesses ensure that there is no equality and that there is discrimination.

From what you see in the workplace, are there still things that can be done to correct this situation?

[English]

Mr. Robert Kucheran: Yes. I mentioned the percentage of women in Newfoundland, which is very good. That high rate still exists today, so the retention factor is very successful there. In Quebec in my own particular trade, under the International Union of Painters and Allied Trades, we have a very high percentage of women.

There are a number of factors in trying to attract women into the trade and also in keeping them in, and a big part of that is having mentorship. We have mentorship programs that help women. The best thing you can do for an apprentice is to keep them employed and, second, make sure they're taken care of while employed. By that, I mean having somebody to watch over them, somebody to say they're okay, they're doing fine, somebody to have their back. With the mentorship program we have, we get all that, so that has helped.

[Translation]

Ms. Louise Chabot: Thank you very much.

I have one last question to ask, and it's for Ms. Nord.

Ms. Nord, you spoke in your testimony about the Canada emergency response benefit, or CERB, and the Canada emergency student benefit, or CESB. You recommended a comprehensive review of employment insurance. With respect to the CERB and CESB, our party has proposed that support for workers and students be accompanied by employment incentives.

Do you think these benefits are an incentive, and if not, how could they become an incentive?

[English]

Ms. Leah Nord: Thank you for that question, MP Chabot.

As I said in my remarks, the Canadian chamber feels that the emergency programs that have been put in place, be it the wage subsidy, the student benefit—I don't want to use all these acronyms—or the emergency subsidy, the CERB program, were important. They were necessary and they were crucial, but as we move forward, we need to ensure that we tie Canadians to the workforce to the extent possible.

We need to support them when they don't work and aren't able to, and we feel that the best way is to return to the EI program, to reform the EI program. There have been years and years of band-aids with a little bit of this and a little bit of that and a lot of piling on, but I think this is a real opportunity for us to revisit it and to have all parties at the table—labour, government and business—to take a look at it.

• (1900)

[*Translation*]

The Chair: Thank you, Ms. Chabot.

[*English*]

Thank you, Ms. Nord.

The last questioner for the evening will be Ms. Kwan

You have the floor for six minutes.

Ms. Jenny Kwan: Thank you very much, Mr. Chair, and thank you to the witnesses for their presentations.

My first question goes to Mr. Kucheran.

On the issue around the stimulus package, really what we need the government to do, of course, is invest in an array of economic activities and infrastructure building. You've mentioned some of them.

Within that frame, do you see that building housing for Canadians, and affordable housing in particular, would be an important component of this infrastructure package for stimulus purposes?

Mr. Robert Kucheran: Thank you for that question.

Of course, we're involved in residential construction, mostly in the greater Toronto area, but there is a need for affordable housing, and we would support that. I will recheck our list of shovel-ready projects, but I think it's a good point to have the government support affordable housing. I'm all for that.

Ms. Jenny Kwan: Thank you. After the committee, perhaps, if you have any additional information that you would like to submit, please make sure you that submit it to the clerk's office, because I think it would be very helpful to hear about that.

One of the big issues that we're hearing about across the country is the lack of affordable housing, the homelessness crisis and the vulnerability of the people who are at risk, and the pandemic has really amplified the problem. We have a national homelessness crisis. I think the lesson from here is to look at it and see how we can address this issue in a comprehensive way that, hopefully, prepares us for the next pandemic. I hate to say that. Hopefully there won't be another one, but there may well be another.

Thank you for that.

On the question of what is really the road to recovery for our economy, Ms. Nord, in our previous panel we talked a bit about the importance of supporting businesses so that people can survive the pandemic. On the wage subsidy, many of the businesses—certainly those in my own community—are saying that they don't qualify for the wage subsidy, that the threshold for lost revenue is too high and so on. As we reopen the economy, the issue is also being raised that people might actually start to get some income, which therefore will cause them to not qualify for the subsidy. Then, with the subsidy ending, there might be a longer period for people to transition into full recovery. I wonder if you can comment on that.

Ms. Leah Nord: Yes, and I did hear that from the last panel. Colleagues from the CME from the last panel were referring to a number of their members, and I was delighted to hear it was over 50%. I had alluded to the fact that we're going back out in the field

with Stats Canada, and the results will be back in mid-June. It will be really interesting to see what our members and businesses across the country are saying, because when we first did this survey in a two-week period in April, the wage subsidy didn't exist.

We have recommended even a graduated approach for that revenue cliff that everyone keeps referring to. I heard your comment, MP Kwan, before that as well. Maybe it's not 75%, but maybe it could be graduated as we go up.

We also feel, and I had mentioned this before, that there should be flexibility around this program to allow us to be gradual in the initial phases. It's this dimmer switch analogy. We're not going from "off" to "on". If businesses are able to bring back furloughed employees and get their revenue base back up slowly but surely through this process, we would welcome that.

Again, we are giving credit where credit is due. It went from the 10% to the 75% when the voice of business was heard, and I think this continued discussion will be helpful.

The other point to make is about an extension. I heard my colleague from the CME give a date that he thought it should extend to. It cannot extend forever, and we're not asking for that either, but it should be through the reopening into the recovery period. Then, as I said, we have to keep our eye on financial sustainability in the long term as well.

Ms. Jenny Kwan: One of the key things I'm hearing from my businesses in Vancouver East, from the BIAs and so on, is that flexibility is the name of the game, both for eligibility and as we head onto the road of recovery. I'm glad to hear both panels of witnesses supporting this approach.

I'd like to touch on the issue of returning to work, because there are some issues with respect to sick leave. People are worried about the lack of sick leave. Some workers in the business sector do not have access to sick leave. I have constituents who had to resign their jobs in the early phase of COVID because they couldn't get sick leave and they were worried about what that could mean, both for themselves and for their co-workers, in terms of potential spread. We're advocating very strongly, and we're glad to hear the federal government has made a commitment to work on this 10-day sick leave issue.

I'd like to turn to Mr. Kucheran on this. From a labour perspective, how important is paid sick leave for the workers?

• (1905)

The Chair: Give a short answer if you could, sir.

Mr. Robert Kucheran: We don't have sick leave in the construction industry. The nature of the business is not to have sick days. For partner industries that negotiate sick benefits into their agreements, God bless them, and I support that, but the nature of construction is that we don't have seniority and we don't have sick benefits. We get paid really good wages and benefits, but we get paid good wages for an honest day's work, so it's a bit foreign to me.

The Chair: Thank you, Mr. Kucheran. Thank you, Ms. Kwan. Thank you, Ms. Nord.

This has been a very instructive and insightful session. We very much appreciate your being with us and sharing your expertise and that of your membership.

Mr. Brad Vis: I have a point of order, Mr. Chair.

The Chair: We have a point of order from Mr. Vis.

Mr. Brad Vis: Before the meeting ends, I want to raise the fact that when we had officials from IRCC and ESDC appear before the

committee and discuss the labour market impact assessments and immigration numbers, they committed to providing the committee with a list of immigration figures and LMIA figures within 10 business days. Could I please request that you, Chair, follow up with the relevant witnesses and provide that information to the committee?

The Chair: I can do that, Mr. Vis, but I think I also have an update as well for you on that point. Yes, both departments have confirmed that the response is in its final stages of approval and should not take much longer, but yes, I will follow up, and I expect you're going to have an answer fairly shortly.

Mr. Brad Vis: Thank you, Chair.

The Chair: You're quite welcome.

With that, colleagues, enjoy your weekend, and we'll see you Monday.

We are adjourned.

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