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Chair: The Honourable Wayne Easter



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• (1600)

[English]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): We will call this meeting to order.

Welcome to meeting number 35 of the House of Commons Standing Committee on Finance.

Pursuant to the committee's motion adopted on Friday, February 5 of this year, the committee is meeting to study all aspects of COVID-19 spending, programs and related monetary policy.

Today's meeting is taking place in a hybrid format, pursuant to the House order of January 25. Therefore, members are attending in person in the room and remotely using the Zoom application.

The proceedings will be made available via the House of Commons website, and people should realize that the entirety of the committee is not visible at all times, just the person speaking.

I ask participants to refrain from taking screenshots of their screens. That's against parliamentary rules as well.

Just before I go to the witnesses.... Committee members, I had hoped that on Thursday we'd be able to do committee business as well as the panels, but we're going to get disrupted by votes now, so those meetings will have to be fairly tight. What I'm suggesting is that we do a steering committee meeting on Monday evening. I believe that time is still available.

On the 27th—just to remind folks—we'll have the Governor of the Bank of Canada for one hour and the Parliamentary Budget Officer for one hour. Usually we have them for an hour and a half, but due to Zoom time restrictions, we can't get our regular three hours. We're going to have to go back to two.

That's the situation at the moment. Are there any complaints about that suggestion?

Okay, we will turn to the witnesses.

Witnesses, please hold your remarks to about five minutes.

We'll start with the Nicole Brayannis, national deputy chair, Canadian Federation of Students.

Welcome, Nicole. The floor is yours.

• (1605)

Ms. Nicole Brayannis (National Deputy Chairperson, Canadian Federation of Students): Thank you, Chairperson.

Thank you to the committee for inviting the Canadian Federation of Students to speak on this issue.

I want to start out by acknowledging the privilege that comes with addressing you today, as I ask you to join in paying respects to the original caretakers of the land where I reside, in so-called Pickering, Ontario, who are the Anishinabe, the Haudenosaunee and the Mississauga of the Credit peoples.

To share a bit of context, the Canadian Federation of Students is the oldest and largest student organization in Canada. We represent more than 530,000 students across the country, and our membership includes both domestic and international students at the college, undergraduate and graduate levels, including full- and part-time students.

I want to emphasize how proud I am of the student leaders who, for over a year, have been tirelessly lobbying for improved support. From parliamentary petitions signed by nearly 10,000 Canadians, to a federal lobby week dedicated to a "Just Recovery for Students", we have been calling on our elected officials for adequate financial support.

This pandemic has proven to be a struggle across sectors. As classes shifted online and work became even more precarious, we continued to see students experiencing new and enhanced challenges to accessing post-secondary education.

While we appreciate the more than \$9-billion student investment made last April, we want to address the ongoing shortfalls experienced by students and the PSE sector as a whole. To date, as reported yesterday within budget 2021, more than \$2 billion remains unspent.

Instead, students have received a failed \$912-million Canada student service grant, inaccessible exclusion criteria for centralized financial relief supports and a six-month moratorium on federal student loans that ended in October 2020. In fact, students spent weeks fighting for the Canada emergency student benefit, only to receive less funding support and to have it endure for less than half of the pandemic.

Therefore, our first recommendation is to uphold commitments to students and graduates by allocating the remainder of unused funds to expand the current and any future financial relief programs to include every domestic and international student and recent graduate. Alongside this, students need an investment in accessible mental health supports that are adequately funded and staffed to address the very real threat of a youth mental health crisis.

As youth unemployment hovers around 20%, following a record-breaking 29% in May 2020, students need a commitment from their elected officials to lay the foundation for a stable future. While the Canada summer jobs program holds value in providing youth opportunities for employment, it excludes international students and those over the age of 30.

Amidst ever-changing familial and personal situations, relief for every person living in this country needs to be readily available, without the stipulation and added barrier of productivity demanded only of young people in this challenging time.

Budget 2021 also promises to continue the doubling of the Canada student grants program for an additional two years, which will assist many students with continuing their studies into the next academic year. Alongside this, we need to see a focus on more permanent measures for low-income students and sustainable investments into the post-secondary education sector.

Our PSE system has been increasingly underfunded since the late 1970s and now faces extreme precarity, as we've seen in recent events with the collapse of Laurentian University in Ontario. Therefore, our second recommendation is to invest in the targeted funding of federal grants, with the intention to move to a universal framework that matches 50% of student tuition costs in each province and territory.

Canada is one of the only G7 countries without a federal post-secondary education act. To stay competitive on a global scale and continue to attract and retain talent within this country, our government needs to be investing in the education sector to see large-scale advancement.

In order to ensure that money is being effectively spent, we need a holistic approach to understanding the impacts of this pandemic. As part of this process, the PBO has been tasked, on the federation's behalf, with producing estimates and cost frameworks for this short- and long-term grant-matching program, federal student debt elimination strategies and annual program values to ensure investment adjustments with inflation, enrolment growth and institutional costs.

Yesterday's budget also waives the accrual of interest on student loans for the next two years and increased the income repayment threshold for borrowers living alone to \$40,000.

This is a step in the right direction, but our third recommendation is to listen to student calls for the reintroduction of moratoriums until at least December 2021, implement a stopgap urgent loan forgiveness program and permanently eliminate interest on student loans.

Debt creates economic drag and causes students to delay making large purchases and life choices, and actually reverses the positive,

upward mobility associated with pursuing a post-secondary degree. Now more than ever, the PSE sector is going to be critical in advancing our country forward. Re-skilling will be key to upkeep with the technological and virtual shift we've seen this past year, as well as prepare us for the parallel need for a greener economy.

• (1610)

In a just social and economic recovery from COVID-19, student and post-secondary issue prioritization will be critical in rebuilding Canada.

The Canadian Federation of Students appreciates being a part of this consultation to address these needs, and I look forward to your questions. Thank you.

The Chair: Thank you very much, Nicole.

We turn now to the Canadian Labour Congress—no stranger to the committee—Hassan Yussuff and Chris Roberts.

Go ahead.

Mr. Hassan Yussuff (President, Canadian Labour Congress): Good afternoon and thank you, Chair and committee members, for the opportunity to present to you today.

The Canadian Labour Congress, as most of you know, is the largest central labour body in the country. It brings together some 50 national and international unions in Canada as well as some 12 provincial and territorial federations of labour, along with 100 labour councils across the country.

The CLC advocates on national issues on behalf of some three million workers, men and women from coast to coast.

The coronavirus pandemic and the economic shutdown continue to devastate hundreds of thousands of working people's lives. Yesterday's budget, I think, brings important relief for working people hard hit by the pandemic. It does so in several ways.

First, the extension of the Canada emergency wage subsidy will continue to support employment into the fall of 2021. Second, the Canada recovery hiring program will promote job creation and support underemployed workers seeking additional hours of work in the second half of the year.

We hope the hiring program is further refined to provide targeted support for workers who are often overlooked in a job recovery. These include displaced workers, workers with disabilities and the long-term unemployed. Additional job training incentives would be combined with the hiring subsidy to increase the take-up rate.

Third, the extension of the recovery benefits and the temporary employment insurance measure recognize the reality of the third wave of COVID-19 infections in Canada. The emergency income support benefit continues to be essential for working people during the ongoing public health crisis.

From the beginning, the employment insurance program was not equipped, of course, to handle the extraordinary spike in unemployment. The unprecedented scale of job losses simply overwhelmed the EI system. A simplified unemployment benefit that allowed an automated claims process was needed. The government and federal public service workers quickly designed and implemented the Canada emergency response benefit, or CERB, to cope with the wave of layoffs.

The EI system was unable to cope with the scale of the crisis, but not just because of the outdated technology and a rigid administrative system. The EI program has also been severely eroded over decades. Eligibility restrictions shut out workers in part-time and non-standard work arrangements. This was especially the case for women, youth and racialized workers. These workers were the hardest hit by the economic shock of the pandemic. Going forward, we must address the long-standing weaknesses in the EI program.

We are pleased that yesterday's budget announced a forthcoming consultation on long-term EI reforms. In our view, the most important task is to expand access and increase the benefit levels. This is essential in reducing inequality and job market precarity. Improving access to EI and increasing benefit levels will also encourage employers to improve job quality. Extending the maximum duration of benefits will also improve the quality of job matches.

In our view, a comprehensive, open and participatory review of the EI program is long overdue. This review should include a careful examination of the management of the EI account and the program of long-term financing challenges.

Even more importantly, it is time to restore direct federal government funding to EI. For most of the program's history, the federal government contributed a significant portion of the program's cost. In the 1990s, the government withdrew entirely from paying into the EI program. It is time to return to truly tripartite funding for employment insurance.

This could be done by ensuring that federal government funding is tied to the incentive of achieving and maintaining full employment. Below a certain level of unemployment threshold, say 4%, employer and employee premiums could bear the full cost of benefits. Beyond 4%, the federal government should be obliged to defray the cost of benefits stemming from the unusually high unemployment. This would acknowledge the government's primary responsibility in stabilizing the economy and eliminating unemployment.

With that, I will end my remarks and welcome any questions, both to me and my colleague, Chris Roberts. Thank you very much.

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

We'll turn now to the Canadian Teachers' Federation, Shelley Morse, president, all the way from Nova Scotia.

Shelley, the floor is yours.

• (1615)

Ms. Shelley L. Morse (President, Canadian Teachers' Federation): Thank you for inviting me here today.

Good afternoon, Mr. Chair and committee members. I'm grateful for the opportunity to speak with you. I'm also pleased to be appearing alongside Hassan Yussuff. Many thousands of our teachers and education workers are also members of the CLC.

I would like to begin by acknowledging that the land from which I am speaking to you today is Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq people of Nova Scotia.

I would like to preface my remarks with a brief overview of the impact of COVID-19 on our students, teachers and education workers.

Canada's education system is one of the world's best. However, that standing is under severe threat due to the low prioritization it has received since the beginning of the pandemic. Education outcomes for students in this country are in jeopardy and the federal government must continue to take action before more damage is done to our K-to-12 cohort and the economy.

Last September, the OECD estimated that Canada's present value of GDP lost over the remainder of the century due to coronavirus-induced learning loss could be as high as \$2.5 billion. Of more immediate concern is the direct impact of school closures on the economy as Canada tries to recover. According to the C.D. Howe Institute's comprehensive measure, K to 12 schooling accounts for 11.5% of the GDP in Canada. Therefore, the disruption of the Canadian education system impacts the Canadian economy almost more than any other sector.

These figures paint a stark picture around the importance of creating and maintaining safe schools. Still, in Ontario and in many areas of Alberta and Quebec, school buildings are again closed and students and teachers are forced to adopt online learning, with its numerous shortcomings in terms of equity and quality.

Before going forward, I also want to acknowledge the tremendous stress on all levels of government. On behalf of the Canadian Teachers' Federation, thank you to your staff and the dedicated members of the public service. Your work is so important.

While we recognize that education falls under provincial and territorial jurisdiction, the CTF/FCE applauded the \$2-billion safe return to class fund. We appreciate the efforts made through this fund and other federal initiatives to try to keep students and educators safe. Unfortunately, I cannot stress enough that funding has not flowed down to the classroom level. Our teachers and education workers are still paying out of pocket for their PPE, hand sanitizers, additional cleaning products for their classrooms and makeshift dividers between desks.

Likewise, the CTF/FCE was pleased to see the government think outside the box by announcing Infrastructure Canada's \$3-billion COVID-19 resilience funding stream, which aims to support projects such as retrofits and repairs for schools. We are also happy to see Infrastructure Canada's recent announcement of \$120 million to support ventilation improvement projects in public buildings, including schools. This is something the CTF/FCE has long called for.

We also have concerns. What are the reporting and accountability measures in place to ensure that projects being funded are not, for example, roof repairs that have been neglected for years? Similarly, how can the federal government work to ensure provinces spend the funds in a timely manner?

In Ontario, just last week, funding was announced under the resilience stream for space reconfiguration, such as new walls or doors, to enhance physical distancing. Don't get me wrong. This is a much-needed investment, but it's the end of the school year. This federal fund was announced last August. That is why the CTF/FCE has been advocating—and will continue to advocate directly with federal officials and policy-makers—for better tracking of school-related federal funds, either through a federal-provincial-territorial task force or other mechanisms to ensure the funds are used in a timely manner, reaching their intended destinations and making a tangible difference.

● (1620)

Additionally, the CTF/FCE urges consideration of other supports for people on the front line. The lack of mental health funding for frontline workers remains a deep concern. A recent poll of Canadian teachers tells a worrying tale, with over 70% of respondents concerned about the impact of the pandemic on their own mental health and well-being. Of course, a major reason for this is the almost constant worry for their students in this challenging context.

We were happy to see additional funding in the fall economic statement for the Wellness Together program, but more resources are needed, and they must be allocated specifically for services tailored to the unique workplace stressors of teachers and other frontline workers.

As governments plan for the coming months, we must also ensure that teachers and all education workers have priority access to the COVID-19 vaccines so that our children can learn in class, parents can work and our economy can begin to recover.

The CTF/FCE is grateful for the federal government's support throughout the pandemic, but as this third and most vicious wave makes clear, the pandemic is still very much with us. The challenges our country faces, including those experienced by teachers

and education workers, will continue to require the government's full attention.

On behalf of the over 300,000 teachers and their students across this country, I appreciate the opportunity to contribute to the important work of the committee and welcome the opportunity to answer any questions.

[Translation]

Thank you.

[English]

The Chair: Thank you very much, Ms. Morse.

Turning, then, to the Conseil québécois du commerce de détail, we have Jean-Guy Côté, CEO.

Welcome.

[Translation]

Mr. Jean-Guy Côté (Chief Executive Officer, Conseil québécois du commerce de détail): Thank you, Mr. Chair.

I want to start by thanking the committee members for the invitation to come here today to talk about the positions and issues of the retail industry, the day after an important day in the parliamentary calendar. The tabling of a budget is usually one of the most significant events of the year in Parliament. We're very grateful for this invitation. It will also give us the opportunity to respond to the various parts of the budget in real time.

I've been the chief executive officer of the Conseil québécois du commerce de détail for four weeks. This is all new. I used to keep a close eye on the Canadian economy as a researcher and associate director at the Institut du Québec, which came into being as a result of a partnership between HEC Montréal and the Conference Board of Canada. Over the past few months, I've been able to keep track of the measures announced by the government and adopted by Parliament to resolve the economic issues surrounding the pandemic. As a result, I have fairly specific knowledge of the issues and the items tabled.

The Conseil québécois du commerce de détail represents thousands of retailers in Quebec. A number of these retailers are based in Quebec and have their head office in Quebec. However, some retailers are based in other parts of Canada and carry out many activities in Quebec. We share a significant number of challenges with other retailers across Canada. The Conseil also represents many small retailers, meaning people who have one or two stores, or one or two doors, as they say in the retail business. We're aware of the various challenges that retailers face, depending on their size, to ensure a proper return to business.

We're still in a crisis. The pandemic is ongoing and the lockdown is relatively challenging in other parts of Canada. In Quebec, some areas are more locked down than others. In some areas, certain retailers can't conduct business as usual because of the number of cases. The third wave is still very severe. The issues identified as of March 2020 are still ongoing. In the end, the programs in place are still just as relevant.

We can also see that the pandemic has affected industries in different ways. Health care and education have spearheaded the response to the pandemic. Tourism, hospitality, arts and culture, and retail suffered far more losses than other industries that were able to remain open and continue their economic activities. As a result, each industry's response to the pandemic and experiences during the crisis differed.

However, all our members are telling us something important: the pandemic comes on the heels of the completion of a major transformation in the retail industry. I'm talking about the digital shift that started nearly 20 years ago and that has dramatically transformed the retail landscape and the jobs within it. The pandemic is a powerful catalyst for this transformation.

Here are some key statistics. Over 11% of sales are done online, which wasn't the case before. In addition, 62% of people now use their credit card to make retail purchases, a much higher percentage than before. Lastly, 86% of people who shop online do business with companies outside Canada. They purchase from foreign retailers, mainly American. As you can see, the retail landscape has changed dramatically in recent months.

The federal government's response and the subsequent measures adopted by Parliament were still significant. In the early months of the pandemic, the response was very aggressive. In our view, this was necessary to meet needs. The Canada emergency response benefit, given its universal nature, was able to maintain the income of Canadians and increase the savings rate. This will make it possible for the economy to recover much more strongly than if nothing had been done. In addition, the Canada emergency wage subsidy has helped our retailers maintain the employment relationship with their employees. This was necessary in a situation where certain positions were severely understaffed. There was also the Canada emergency rent subsidy. This subsidy kept commercial establishments open when the pandemic subsided enough to allow some businesses to reopen.

- (1625)

Other measures could be put in place. I'll elaborate on that, if I may.

During yesterday's budget presentation, we were very surprised to hear that the issue of interchange fees, the fees charged to retailers for credit card payments, would be revisited. The government has the opportunity to regulate this issue. This would cost the government nothing and would give retailers and consumers some relief. It would give them the chance to participate in the economic recovery, which we hope will be as strong as possible in the coming months. I'm optimistic about the coming months.

I hope to be able to provide appropriate answers to your questions in the next few hours.

[English]

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

Turning to a fellow Islander, I have, with the Tourism Industry Association of Prince Edward Island, Ms. Clemence, CEO.

Go ahead, Corryn.

Ms. Corryn Clemence (Chief Executive Officer, Tourism Industry Association of Prince Edward Island): Thank you.

Good afternoon and hello to all of the finance committee members.

I represent the Tourism Industry Association of Prince Edward Island, the hardest-hit industry on the island since the onset of this pandemic. Prior to the pandemic, tourism was one of the top three industries on Prince Edward Island, generating an estimated \$504.8 million in direct revenues and approximately \$145 million in total tax revenues. Leading up to 2020, we enjoyed five consecutive record-breaking seasons, resulting in businesses in our industry reinvesting and expanding their operations.

In 2019, Prince Edward Island welcomed an estimated 1.6 million visitors to our island, which has a humble population just shy of 160,000. The cruise industry set a record, with 128,000 passengers, near equal to our total population, helping to lengthen our traditionally seasonal industry in the spring and fall. In the 2020 season, and again in 2021, cruises ground to a complete halt, going from 128,000 passengers to zero.

The impact this industry has not only on the ports affected but on the supply chain, from transportation providers to small businesses, including retail, restaurants, experiential product and tour companies, is staggering. We have individual family-owned retail businesses sitting on over \$1 million in inventory, purchased in advance of the 2020 season and carrying that cost for multiple years. Our main transportation provider, normally employing approximately 500 people, now has 155 individuals working at a much reduced capacity.

In other sectors, we have seen an 80% decline in our accommodations, and some operators, such as the island's only family-run amusement parks, went from 350 staff in 2019 to 198 in 2020 across their four companies. Sales dropped from 60% to 80%, with the two largest amusement parks being down 80%. For one single attraction, this meant going from a profit of \$300,000 to a loss of \$300,000, even with the subsidies in place.

To put this in further perspective, that \$300,000 in revenue would afford this business the ability to pay down approximately \$250,000 in debt and to continue to expand their operations. Instead, the pandemic has forced them to now take on an additional \$300,000 in loans just to keep the lights on, as opposed to investing in new capital projects.

In addition to the financial impact, amid the uncertainty, companies are losing the workforces that they have spent many years developing. Continued investment by the federal government will be required to support skills development.

While some of our larger businesses have taken on additional loans as a means of survival, many of our smaller operators don't have the capacity to do so. While carrying existing debt from investments in previous years, these businesses can't comfortably take on additional debt without any indication of when they may be able to pay it off. HASCAP, for example, has benefited a small number of businesses on Prince Edward Island, but no matter how low the interest rates or payback terms are, many will not entertain this as a viable option for them.

We recognize how fortunate our island has been in the face of the pandemic, and we were grateful to be open to the Atlantic bubble for the summer of 2020. This, paired with the Canada emergency wage subsidy and other supports, allowed many of our operators to open for the season, albeit at a much reduced capacity and at great financial cost.

As we move towards the 2021 season, our optimism has shifted to the realities of another bleak tourism year. At best, we are preparing for another Atlantic bubble, but many of our operators will not survive without the continued extension of the Canada emergency wage subsidy and the Canada emergency rent subsidy supports. These programs provide a backstop for our businesses to keep staff employed and keep the doors open in a time of much uncertainty. With border closures and continued COVID-19 restrictions, these operators are in an impossible position of trying to budget, plan, staff and forecast with no real understanding of what the coming months will bring.

The Government of Canada has acknowledged the hardest-hit sector with these supports. We thank you for recognizing the importance of our industry, and we ask that you continue to consider and evaluate these programs.

• (1630)

As we move to reopening to the rest of Canada, our industry is faced with the reality of no meaningful tourism on Prince Edward Island until the 2022 season. Even if our operators survive the 2021 season, without the ability to generate meaningful cash flow, they are looking at a long winter to prepare for what is, hopefully, an improved 2022. The industry will not see 2019 visitation or expenditure levels that we enjoyed only a couple of years ago, but this signifies the start of a struggle back to the thriving industry we once were.

With that, our focus is on ensuring the survival of our operators and recognizing the importance of not only surviving but finding a way to see capital infrastructure investments and upkeep so that our businesses are well positioned to welcome back visitors to our island in the way we once did, with world-class hospitality, authentic island experiences and product that is refreshed, renewed and revitalized.

Thank you.

The Chair: Thank you very much, Ms. Clemence.

Before I go to our last witness, the order for questions will be, first, Ms. Jansen, followed by Mr. Fragiskatos, Mr. Blanchette-Joncas and Mr. Julian.

We're turning to our last witness, from the Fitness Industry Council of Canada, Sara Hodson, national representative.

Ms. Sara Hodson (National Representative, Fitness Industry Council of Canada): Thank you, Mr. Chair and honourable members of the committee. It's a pleasure to be here today.

The Fitness Industry Council of Canada represents over 6,000 fitness facilities across this great country. They range from single boutiques to national chains and non-profit and municipal facilities. Pre-COVID, the fitness industry employed 150,000 people and served six million Canadians. Our industry has been severely decimated by COVID-19 due to closures and restrictions across the country. Today we have laid off half of our employees and lost half of our membership.

The majority of fitness facilities have been closed over the last year despite worldwide data showing that fitness facilities are not transmission sites of COVID-19. Facilities are operating at somewhere between 10% and 50% of their revenue. The wage and rent subsidies have been very much appreciated by our industry. We still experience severe financial hardships. We continue to have small business loans, equipment leases, property taxes and debts from PPE. As well, our industry had to very quickly invest in and create online platforms in order to continue to keep Canadians active at home. Facilities are losing currently \$15,000 to \$30,000 per month per facility.

We have a lot of fitness brands and facilities that were opened the year before the pandemic hit. Those facilities are not able to benefit from some of the subsidies we have. I want to bring that to your attention today.

Fitness facilities in their current state across this country have anywhere from two to six weeks of remaining capital and have taken on significant debt. They have defaulted on their leases and their loans. Currently, looking across this country, we see that about a third of fitness facilities have already closed. Some have gone in silence. Some have gone publicly. We know that a third of facilities have closed. We will see that number double as our industry bears the weight of reopening.

We foresee that once Canadians are fully vaccinated, it will take about six to nine months for our industry to just gain the three million members we lost. To offset the debts and the other costs that we have now taken on, we need to increase our membership base by 20%, meaning that we have to serve 7.2 million Canadians. We project that this will take an additional six to nine months. Overall, the fitness industry is 18 months away from any type of return to the February 2020 state of the industry. That will take us to February of 2023. This is a three-year critical financial impact on our industry.

As we all know, the federal budget was released yesterday. As much as there are great initiatives included for mental health, we as the fitness industry are disappointed that our proposal was not considered in the 2021 budget. I do believe that as much as we did include mental health in the budget, we really missed an opportunity to help Canadians' mental, physical and social health. This is where fitness and fitness facilities come in.

On January 28 I had the great pleasure to present to Deputy Prime Minister Chrystia Freeland an economic recovery plan for the fitness industry. Our proposal was to have fitness memberships and services considered as a medical expense on our personal taxes. That's line 33099. Our proposal included financial modelling that actually showed projected health care savings ranging from \$500 million to \$2 billion a year by combatting physical inactivity in Canada. Our proposal supported the employment of young people, the recovery of our industry and the health of Canadians. We were endorsed and backed by Heart and Stroke, Diabetes Canada and the Canadian Cardiovascular Society.

Why does fitness even matter for Canadians right now? Well, the reality is that exercise is medicine. There's so much I wish I had time to share with you. Exercise is known to reduce hypertension and cancer and diabetes by up to 60%, stroke by 50%, and Alzheimer's by 40%. Exercise is just as effective as antidepressants.

● (1635)

We know that we are in a physical inactivity pandemic, and this was echoed by the World Health Organization in 2018. We are fighting COVID as a country, and the access to physical activity right now is at risk. We are on the verge of losing two-thirds of fitness facilities, eliminating Canadians' access.

What is the solution? We need to make this tax deductible. As a country that funds the research that teaches and supports exercise as medicine, we now have to give Canadians the opportunity to benefit from exercise as medicine. This is Canada's opportunity to gain global attention and recognition for incenting the people of Canada to get active, to make a bold statement that physical activity is fundamental to our health care system.

The time is now. We are losing our fitness industry, but together we can create change and empower Canadians' physical, mental and social health.

Thank you. I look forward to your questions.

● (1640)

The Chair: Thank you very much, Sara.

I certainly thank all the witnesses. We're covering all the bases: students, teachers, labourers—and in industry—retail, tourism and fitness. Those were very interesting witness presentations.

We're turning, then, to Ms. Jansen for the six-minute round, followed by Mr. Fragiskatos.

Tamara.

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

I'd like to give a special thanks to Sara Hodson for coming and giving us that wonderful presentation. I was able to see the whole presentation beforehand, which was great. I thought.... I mean, for myself.... Sitting on Zoom for hour upon hour for the last year, I know I've become very inactive and have gained weight. Definitely, you feel it mentally. There's no doubt about it. You and I discussed how much better we feel when we get up and get active.

What I really loved about your presentation that you gave to Ms. Freeland is the fact that, actually, it's a win-win.

Maybe you can fill us in a little bit more. You did mention that you have a lot more to say but that you didn't have enough time, so please fill us in.

Ms. Sara Hodson: Yes, absolutely. Thank you.

This really is a win for the federal government. This is a win for Canadians. This is a win to recover the fitness industry.

When we actually look at the data that has been published by Canada on inactivity, we know that it costs us annually \$2,000 per person who is inactive and has underlying health concerns. We have 30 million Canadians who are inactive.

Really, the upside on this is that we can actually create health care savings. We can promote the health care of Canadians. We can employ young people. We can invigorate and re-energize an industry that I cannot stress enough is an industry that has been severely decimated. There really is no downside to this proposal. I believe that it is something that we absolutely have to take seriously right now.

Mrs. Tamara Jansen: Over the weekend, I got an email from a local constituent who also has a gym. I don't want to say too much about him because we haven't had a chance to talk, so I don't know that he wants to go public. He ended up buying a gym just before COVID happened. It's a long-standing gym that's been around for 30 years. Because of all the little wonky things with all the different programs, it looks like he's going to lose the gym.

I've dealt with so many people in my riding who have lost—whether it's a gym or a dance studio—things that have huge impacts on our communities and on our communities' health and mental health as well. I wonder if you could speak a little bit more about how much impact things like gyms, dance studios and so forth actually have on our local communities.

Ms. Sara Hodson: That's where I really think that this is an emphasis on mental and social health. We see people who come together and really create a community. Not only is exercise medicine—so truly, from a physiological perspective, we know that when we move our bodies we are combatting depression, stress and anxiety—but also we are feeding social health, feeding community.

We have a nation that has been isolated due to this pandemic. When we look at places like Australia and New Zealand, people are wanting to participate in fitness coming out of this. People are wanting to connect in places that are recreation-based, in places that are movement-based. This is all about, again, supporting the mental health of Canadians.

With regard to the operator that you mentioned, that is not a unique story. Those are the stories that I'm hearing on a daily basis. For me, my business came into this pandemic a healthy, thriving business. I've built it over a decade. My business now has \$300,000 of debt. I have to somehow bring back my business, grow my business even more just to bring myself back to where I was. Again, that's going to be a three-year plan.

We have not even begun to see the fallout of our industry. Because our industry has been closed for the majority of this year, we don't even know what our industry can bear, financially, in the sense of reopening.

• (1645)

Mrs. Tamara Jansen: I wonder what your thoughts are on the lack of information coming from Health Canada in regard to physical activities being good for your health. I know that I was kind of shocked. I've heard very little about building your immunity with vitamins and with activities and stuff like that. I wonder if you could speak to that as well.

Ms. Sara Hodson: Yes, I think the closure of gyms sends a message that maybe they are not a safe place, yet as I shared earlier, when we look at worldwide data, gyms and fitness centres are not transmission sites for COVID-19. They actually have a 0.06% rate globally, so we are safe.

We can share the message of “get outside and be active”, but that doesn't work for everybody. That doesn't meet all Canadians where they're at. As we've spoken about, we're all sitting here on Zoom, as we're doing all day long, and that's not an easy feat, never mind weather and so forth.

Actually, the British Medical Journal just this past week revealed that a sedentary lifestyle is directly correlated to severe COVID outcomes—death, hospitalization and recovery—that are draining our health care dollars, and we as a nation have shut down the providers of physical, mental and social health. As we reopen, we need a way to be here for Canadians, and that's at risk.

Mrs. Tamara Jansen: I thought—

The Chair: You can have a quick one, Tamara, very quick.

Mrs. Tamara Jansen: You were hoping that the government would incentivize people to take charge of their own health. It's a great idea. What were the savings that you said we could have had?

Ms. Sara Hodson: If we get 1.2 million Canadians active out of the 30 million who are currently sedentary, we can actually have an

upside of anywhere from \$500 million to up to \$2 billion, with the \$2 billion representing those people who have underlying health concerns. If we get someone with high blood pressure active, that is the return that we can bring back into health care.

Mrs. Tamara Jansen: Thank you very much.

The Chair: Thanks to both of you.

We are turning to Mr. Fragiskatos, who will be followed by Mr. Blanchette-Joncas.

Go ahead, Peter.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you, Chair, and thank you to the witnesses for their time this afternoon.

I want to begin with Mr. Yussuff, if I could.

Mr. Yussuff, thanks for your continued advocacy on behalf of Canadian workers. I'm speaking from London, Ontario, today. We have a thriving workforce here in many areas, with a traditional base in manufacturing, and I know that the workers really appreciate the work of the congress.

I wanted to ask you a question relating to an op-ed that you co-wrote in June of 2020. The fact that you wrote an op-ed is not the point here—you've written before—but you co-wrote the op-ed with Goldy Hyder. It's interesting because, as we know, Goldy Hyder is a key voice of Canadian business. He's the chief executive of the Business Council of Canada.

The title of the op-ed is “There is no economic recovery without adequate child care”. Here, we have the business community coming together with labour in a rare partnership to advocate for child care from many perspectives and making the case that it is an economic imperative for the country to move ahead with.

Yesterday's budget was historic for many reasons, but at the centre of it was child care. I wonder if you could speak to the importance of moving ahead with the government's vision on child care and how critical it is as we think about a post-COVID-19 Canada from an economic lens.

Mr. Hassan Yussuff: Thank you very much.

Yes, I do remember the article very vividly. More importantly, Goldy actually texted me late last night to say what a great collaboration it was. This morning, I didn't respond to him.

His point was the recognition between both of us that COVID-19 has had devastating impacts on especially working women's lives and women in general. The majority of responsibility for taking care of kids is falling to women. More importantly, we've made great strides in bringing women into the workforce, but there's a real possibility that we're going completely backwards, so I still haven't gotten over the excitement of what yesterday's announcement in the budget represents on behalf of the country.

I do believe this is a historic moment for us to bring the provinces onside as to how we can truly build a national system from the experience that we've seen in Quebec, which has been incredibly important for women's participation, equally important for early learning for children in the schools, and more important for families who are struggling with child care needs.

I think this is going to have an incredible impact on the economy. I do believe this is truly a moment in the country's history where, regardless of one's opinion, we should all come together to support this initiative because it represents such a fundamental commitment on behalf of working families in this country, and more importantly, working women.

In addition to that, I think that over time the program would more than pay for itself with women's participation, their contribution in paying taxes into the economy and their ability to have the independence of earning an income and of being equally able to provide for their families.

I saw many interviews yesterday and watched the expression of individuals. We're struggling with child care. I'm wondering how this is going to help them to recognize it is something that this country badly needs. Yesterday's investment for the next number of years is going to be really important for us to win this effort. It will take all of us rolling up our sleeves and working with the provinces and territories to ensure that they collaborate with the federal government to ensure that we can build a truly national child care program on behalf of all working people in this country.

• (1650)

Mr. Peter Fragiskatos: Thank you for that view.

The economist Jim Stanford, whom you will know very well, said the following about yesterday's announcement. I'm quoting him here. He estimates that the gain will be two to four times higher than what many economists are saying as far as the lift to the GDP. What many economists are talking about is a 1.2% increase to the overall GDP. Again, he's estimating that it will be two to four times higher than that. As a result of that growth, the tax revenue coming into federal coffers will cover the \$8.3 billion a year in terms of ongoing costs.

I cite this as a way to introduce my final question for you. When you hear—as we certainly will in the coming weeks—from some opposition colleagues about the costs of a national child care program, what's your response to that? What's the CLC's view on that?

The opposition will certainly say that it will be too expensive, that we can't afford it and so on.

Mr. Hassan Yussuff: Child care does cost money. It does cost money for us to build the infrastructure to make sure it happens, but we've seen from the experiences that have been documented time after time from the Quebec reality that the program more than pays for itself. To have the highest participation of women today in the Quebec economy speaks to it, never mind the comfort and support. Working families recognize how much this program does for them. I think Jim Stanford was absolutely correct. This program will more than pay for itself over time.

There is a national consensus in labour and business that this is something that needs to be done. We've talked about this long enough. I think it's now for us to get on with it. We may differ about the specifics. We are very biased in loving the Quebec program. It's evolved over the years. By the way, as a program, it hasn't stood still since its creation.

We believe this program equally will evolve as it goes on and will get better. Where we are biased, of course, is where we differ a little bit in terms of the implementation of what the program should look like, but we do believe at the end of the day that this program will more than pay for itself over time.

It will also give the fulfillment, which is.... We live in a very unequal society. Let's face the reality. As much as I would like to pretend, as a man, how much I contribute to my household, I know I do far less than my partner because sometimes most of the burden has fallen to her. I take pride in the fact that my country is now going to do something that can make women's equality a cornerstone of its economic expansion going forward.

I think we all should feel good, and equally, we now should figure out how we can work together to ensure this actually happens at a provincial level. We need provincial support and co-operation. I'm hoping I'll do my part in the congress to help build a broad coalition that can push the provincial governments to come onside to support this program.

• (1655)

Mr. Peter Fragiskatos: Thank you.

The Chair: We will have to move on.

We're turning to Mr. Blanchette-Joncas followed by Mr. Julian.

Go ahead, Maxime.

[*Translation*]

Mr. Maxime Blanchette-Joncas (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you, Mr. Chair.

I want to start by acknowledging the witnesses and thanking them for being here today.

My questions are for Mr. Côté from the Conseil québécois du commerce de détail.

I imagine that the pandemic had a major impact on consumer behaviour, particularly because of the public health restrictions. For example, consumers were no longer able to go to some of the retail businesses that they used to shop at.

We've noticed that a number of consumers are turning to online shopping. It must be quite difficult for retail businesses to compete with the online giants, which offer free or low-cost delivery. For example, if you buy a product for \$10, but pay \$15 for delivery, this can be an issue for the consumer, but also for the business. People who shop online do so mainly because the prices are lower.

Do you think that Canada Post should make an extra effort to lower delivery costs through its solutions for small business program? Do you see any other options for businesses?

Mr. Jean-Guy Côté: Thank you for the question.

There are several options. However, I want to point out that retailers have adapted their delivery methods. Some have been very resourceful in dealing with the competition. Of course, in contrast with some of the well-known large online retailers, the retailers that don't have an economy of scale that provides ample resources to organize delivery are facing certain challenges. Obviously, if Canada Post decides to lower or adjust delivery fees, retailers will welcome this news with open arms. This could happen. That said, I want to point out that there are other solutions, other ways to deliver. The truth is, price isn't the only factor that drives online shopping these days. Convenience is also a factor. For some people, it's easier to shop online than to go to a store.

Interestingly, we've noticed that, when people go to the store, they stay for a short time and buy many things. Going to the store has become an event in itself. Instead of buying just a few products or nothing at all, people go to the store to buy predetermined products and usually leave with the products that they wanted to buy. We're seeing this change in behaviour now, and it's likely to continue after the pandemic.

Obviously, competitive delivery solutions will always be welcomed by retailers.

Mr. Maxime Blanchette-Joncas: There are other ways to make retail businesses more competitive. We've noticed in the past few years that taxation is the main way to accomplish this. How can a retailer compete with a web giant? We've also noticed that tax collection isn't necessarily fair to our local retailers. The federal government is unable to collect GST from web giants located outside the country. I'd like to hear your thoughts on this.

The announcements made yesterday as part of the budget had already been discussed recently. As of July 1, all digital platforms will be required to collect GST. In your opinion, is this measure timely for well-established businesses in our municipalities? Do you think that the impact is already too severe and that it's too little too late to reverse the trend?

Mr. Jean-Guy Côté: I'll tell you right off the bat that it's better late than never.

Basically, you must understand that the QST is currently being collected by most online platforms in Quebec. Some aspects are already in place. The Quebec experience shows that, when asked, most major online sales platforms readily comply with government requests to register and collect taxes.

Since 2015, we've been talking about this issue and we've been wanting to see this money come back home. There will always be work to do to ensure fairness between retailers and online businesses located outside the country. One option would be to decide that the buyer's place of residence will now be the primary factor in determining whether to collect the tax, instead of relying solely on the business to collect the tax.

Again, I want to point out that tax collection in Quebec is going well. The fact that this measure will be extended to the rest of Canada is good news. In Canada, 86% of online sales are made to businesses outside the country. In 55% of cases, these businesses are located in the United States. In 31% of cases, the businesses are located in other parts of the world. A huge number of non-Canadian

or non-Quebec online businesses aren't subject to Canadian borders. It's good news that elements of fairness are being introduced.

• (1700)

Mr. Maxime Blanchette-Joncas: In your opinion, Mr. Côté, what would have been the impact if the GST collection had started before the pandemic, following the example of Quebec, which started collecting the GST in 2015?

Mr. Jean-Guy Côté: I can't say what the impact would have been.

However, it's important to acknowledge that the major trends in online shopping and retail were already under way. Did they pick up speed during the pandemic? Would some consumers have behaved differently? Would they have shopped at local businesses instead of through the major platforms? Perhaps.

However, it's important to note that the pandemic has made buying local more popular. People connected with their local businesses. They wanted to know about local businesses, so they searched online to find them. Also, the fact that people were working from home had a positive impact on businesses on nearby streets or on the main street in their neighbourhood. This helped the retailers and the small, local businesses. I like to say that we'll go back to the days when the retailers knew our first name. In our opinion, this is a great trend and great news. It's probably one of the silver linings of the pandemic.

Mr. Maxime Blanchette-Joncas: Mr. Côté, I have a question regarding—

[English]

The Chair: We will have to—

[Translation]

Mr. Maxime Blanchette-Joncas: Is my time up already, Mr. Chair?

[English]

The Chair: Yes. Thank you, both.

You will have another couple and a half minutes down the line, Maxime.

We're turning, then, to Mr. Julian, who'll be followed by Mr. Falk.

You have six minutes, Peter.

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

Thank you very much to our witnesses. We deeply appreciate your coming forward today. You're all very eloquent. We hope that you and your families are staying safe and healthy during this deadly and tragic third wave that is sweeping across our country.

I have a lot of questions. I'll start off with Ms. Brayianis, Ms. Morse and then Ms. Clemence and Ms. Hodson. We really appreciate your testimony today.

Ms. Morse, when you talked about teachers having to buy their own protective equipment in a country as wealthy as Canada, it just made my heart sink that we're subjecting teachers and students to this kind of situation.

As you're probably aware, the strongest criticism of the budget that was released yesterday is the fact that Canada's billionaires, who have massively profited from this pandemic—nearly \$80 billion in increased wealth—aren't subject to any sort of taxation. The wealth tax that other countries are adopting is not being put in place in Canada.

At the same time as we're seeing that billionaires aren't paying anything remotely close to their fair share, we're seeing that the government is looking to curb, starting within a few weeks.... In just over nine weeks, we will start to see, effectively, dramatic cuts in the Canada recovery benefit, in the Canada emergency wage subsidy and CEBA. The government is basically presuming that in nine weeks we'll be out of this and that it can slash all the supports that should be put in place to support small businesses, students and teachers across the country.

Is that a wise course of action? Given the size and scope of this third wave—greater than the other two—the increased death toll and hospitalizations, does it make sense that the government, in a little over nine weeks, will start to slash benefits and end them all in September of this year?

I'll start with—

The Chair: I believe you're starting with Ms. Brayianis.

Mr. Peter Julian: Yes, thank you.

Ms. Nicole Brayianis: One thing I'll raise is that students currently don't have access to financial benefits at all. When we're talking about financial resources ending, there hasn't been anything specific to students since September 2020. Moratoriums also ended in October 2020, so students are really looking for any form of financial relief right now.

When we look at the Canada recovery benefit that is available, many students aren't eligible for it because of that stipulation, the requirement of \$5,000 having been made in the last fiscal year. What we're really looking for is any kind of recovery benefit available currently as well as moving forward.

Students need to be included in this access. Again, if we're looking at wanting to stimulate the economy, that's simply not possible when students are barely able to afford their education and then are facing tens of thousands of dollars of debt load upon graduation and even more significantly now due to the troubles of the job market. We really need to be opening access.

We're calling for our government to include students, have specific student-centric responses, as well as open up the general availability of response benefits to include every person studying in this country, both domestic and international.

• (1705)

The Chair: Go ahead, Ms. Morse.

Ms. Shelley L. Morse: Thank you very much. It's an important question.

I believe we're being overly optimistic to think that we will be on the other side of the third wave in nine weeks and won't require benefits. I think the federal government needs to take a closer look at that.

We know substitute teachers in Canada have suffered greatly throughout this pandemic. Of course, their jobs depend on being able to teach, and that isn't happening because we aren't in schools. We need students in schools in order for our economy to recover. I think government needs to look more carefully at ways to keep our schools open safely and to ensure that our students are in school, learning in front of a teacher.

We all know that light has been shone on glaring inequities in our education system in terms of students and their access to connectivity and devices. Our best bet is to have our students and our teachers in schools. This means government is going to have to step up with more stringent health and safety protocols in our school buildings and with money to make sure that our schools stay open safely. I think government needs to look a little more carefully at their idea that we will be well on the other side of this in nine weeks.

The Chair: We'll hear from Ms. Clemence, followed by Ms. Hodson.

Ms. Clemence.

Ms. Corryn Clemence: Thank you, Mr. Julian, for the question.

As I indicated earlier, the wage subsidy has really been a critical lifeline for a lot of our operators. Certainly in Prince Edward Island and other areas across Canada, the tourism industry is very much seasonal. A large portion of our industry is based on a six-month season. For us to be looking at the declining rates of those wage subsidies right now, when we still have those border restrictions—we're not even open to Atlantic Canada—is incredibly difficult.

Our infrastructure is built to be welcoming 1.6 million visitors. Right now, with a population of 160,000 people on Prince Edward Island, it's just not realistic for us to sustain this. We were certainly concerned when we saw those declining amounts. Again, to look at that Atlantic component, in Prince Edward Island and among my Atlantic Canada counterparts, we're all in very similar situations in the sense that our operators just can't sustain their operations. Last year, with the wage subsidy in place and those supports at a higher rate, many of our operators still saw deficits at the end of the year. To get through this season and really be able to prepare for next year—with the optimism of being open to all of Canada and beyond—it's imperative for us to see those supports back in place and as they were.

The Chair: Ms. Hodson, please speak fairly quickly, if you could.

Ms. Sara Hodson: Absolutely. Thank you, Mr. Julian.

Yes, the fitness industry here has been closed for most of the last 14 months. As I stated, we are looking at February 2023 to get our industry back to its February 2020 state. If we are a minimum of 18 months away following full vaccination of this country, lifting our subsidies and supports in September would cause our industry to have a very critical collapse.

Thank you.

The Chair: Thank you, all.

Before I go to Mr. Falk, I have a follow-up question based on what Peter said and what you said, Ms. Morse.

In your earlier remarks, you said that teachers are paying out of pocket for PPE. Can you send the clerk a little more detail on that? That actually really does surprise me. A lot of money went to provinces to cover those costs, and they added ventilation this week. What's happening there? Why is it not happening on the ground?

It bothers me that money is being sent to provinces to be spent on specific issues and it doesn't seem to be getting there. I'm shocked that teachers are paying out of pocket for PPE and dividers between desks and so on. That's just wrong. If you could send us further information on that, Shelley, that would be helpful.

• (1710)

Ms. Shelley L. Morse: Yes, we certainly can.

The Chair: Okay.

We'll turn now to Mr. Falk for a five-minute round, followed by Ms. Dzerowicz.

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

I want to thank all the presenters here today. I appreciated listening to all of their testimony and their experiences.

Ms. Hodson, I want to make two observations. I don't even want to ask you a question. First of all, I want to commend you for your backdrop. I love your backdrop. It's a fantastic message for this committee, but it's a fantastic message for all Canadians, that we still live in the best country in the world. We have lots to be thankful for. Joy is a choice we make every morning when we get up. I know you found that joy, so thank you for sharing that with Canadians this afternoon.

The other thing you did, Ms. Hodson, was to make a statement about data-driven decisions. That's something that I think has been absent in the decision-making on a lot of different levels, provincially and federally. Certainly, that's something that I think we need to get back to. We need to see fiscal anchors. We need to see specific benchmarks on when we are going to open up borders and how we are going to do it. It has to be based on data.

Ms. Clemence, I'd like to ask you a few questions. I have tourism operators in my riding who operate northern lodges and northern airlines, even though I'm based in southern Manitoba. They talk to me about the hardships they have. I empathize with your tourism

challenges in P.E.I. I've been to your province. It's a lovely province, as Mr. Easter will attest. He's a great champion for you folks.

What will it take to restore your tourism industry?

Ms. Corryn Clemence: I think the easy answer is that it's the movement of people. Our industry is based on human interaction. Our air traffic here in Prince Edward Island has been devastated from a capacity standpoint. Cruise and motorcoach, meetings and conventions—it's really to be able to bring those people back. It's really important for us to see the vaccination rate and the vaccination rollout happen so that we can have tourism and traffic flowing in a meaningful way. Until that time, we need those supports in place.

We've seen a lot of our operators.... I always say I won't use the word "pivot", because I think I'm tired of hearing it. A lot of our operators have had the ability to innovate and adapt their product, but we do have operators who just can't. In transportation with the motorcoach industry, or with our amusement parks, you can't pivot or adapt those products. They just are what they are.

We need to get those people moving again.

Mr. Ted Falk: Good. Thank you.

The budget presented yesterday is 724 pages. On page 73, under section 1.6, it says, "A Plan for the Safe Reopening of Our Borders". In it the Liberal government talks about the stringent measures they have had in closing our borders. What they don't elaborate on is what that plan is. They don't elaborate on the fact that it needs to be data-driven.

If you look at the data south of our 49th parallel, we know that their data is much different from our data. It seems to me they've opened up their economies. They've opened up their states. Their country is trying to resume back to normal because they have a plan. We asked for a plan. Many of the organizations that have presented to this committee have asked for data-driven plans: Give us the plan to reopen the economy for us to resume normal.

How important is it that the government establish a plan with specific benchmarks to reopen borders?

Ms. Corryn Clemence: That's exactly what we've been talking about. Certainly here, from even a provincial standpoint, it's about understanding what those benchmarks are. We understand that those might be moving targets by times, but we really need to understand what the benchmarks are to reopen.

Again, I think we have a number of issues. Certainly, in Atlantic Canada and Prince Edward island we have a confidence issue. We have that resident sentiment. People are nervous about having visits [*Technical difficulty—Editor*] start up again. We have that traveller sentiment. I think there's a lot of work to do on educating and making people understand what those benchmarks are and what will get us open again in a safe manner.

• (1715)

Mr. Ted Falk: Thank you. I think I'm out of time.

The Chair: No, you're okay, Ted. You have another minute.

Mr. Ted Falk: I'm actually good. Thanks, Mr. Chair.

The Chair: Okay, then, I'll take a little of your time just to mention something here.

I chair the Canada-U.S. interparliamentary group. An American congressman and I held a couple of press conferences on trying to lay out a plan to open the Canada-U.S. border. I mean, what's the plan? How do we get there?

On Ted's point and yours as well, Corryn, I warned my staff before we did it that the phones would light up here and that they wouldn't be able to handle the calls and the criticism. I was correct.

I guess my question to you, Corryn, is this: How do we get around this fear that is there in terms of getting people moving again? There's a real fear. I mean, my lines lit up the next day entirely. How do we get around that fear? I agree that it's the right thing to do. We need a plan. We need to open up the borders. We need to get people moving again, and it needs to be done safely. How do we handle that fear?

Ms. Corryn Clemence: We've talked about that at an Atlantic Canada level and even at the Tourism Industry Association of Canada. I think we all struggle to a certain extent with varying degrees to get around that fear. I think Ms. Hodson mentioned earlier the transmission rates in gyms, and I think there's that perception out there. We hear it all the time with airlines. We know the transmission rate of COVID is incredibly low, similar to fitness facilities, so I think there has to be a communication plan, a rollout federally and provincially, to start that messaging around what safe movement and safe travel can be and how we can operate in safe capacities.

Our tourism industry association here in Prince Edward Island just this past weekend hosted a job fair, and I'm thrilled to say that we had 600 people through. I think that's unheard of in COVID times. I think there are ways that we can start to safely reactivate and re-engage our industry. We just really need to educate and communicate to the public, within our provinces and across Canada, that we can do these things safely.

The Chair: Thank you, all.

We'll now turn to Ms. Dzerowicz, followed by Mr. Blanchette-Joncas.

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

Thanks to all the presenters today. Thanks to everyone for this really great conversation on a number of important topics.

My first question is for Mr. Yussuff.

Mr. Yussuff, thanks so much [*Technical difficulty—Editor*].

The Chair: We're having trouble hearing you. You're not coming through very clear there, Julie.

Ms. Julie Dzerowicz: I wanted to thank everyone for their great presentations. I'm embarrassed; I forgot to plug in my headset, but now I'm here.

I have a couple of questions to Mr. Yussuff, and then I have a question or two for Ms. Morse.

Mr. Yussuff, thanks so much for your strong advocacy on behalf of workers as well as your service to our nation. Many of your members live in my riding of Davenport, so I interact with them quite frequently.

My first question to you is this: One of the things we've been hearing throughout this COVID-19 spending programs study is that some people come to us and say, "We have a lot of jobs right now that we're not able to fill." We also know that we have around 460,000 Canadians who are still looking for jobs. Can you maybe talk a little bit about how we address this mismatch right now?

Mr. Hassan Yussuff: I think there is a challenge in the context of the skills and, of course, the jobs that are available. I think we have to do a better job in helping more workers update their skills and renew their skills so that they can fit into a job market that is constantly changing. That's the challenge we face. We're dealing with the rate and speed at which the job market is transitioning and changing, and workers are going to need to have ongoing access to training. It's not just something you will do today and not do again tomorrow and a week later. I think we have to figure out a way that we can give workers better access to ongoing training so that they can continue to upgrade.

We have a lot of skilled Canadians in the country. They may live in a part of the country where the job that is vacant is not in their jurisdiction. Similarly, of course, as we deal with transition measures to do with climate, we will also have to figure out how we take some of those workers—a lot of them are skilled—and how we get them to other parts of the country or change their skills so that they can fit into the job market that might exist in their area.

Also, one other area I think we need to continue to recognize and build on is the immigration policy of the country. I think it's recognized that we're going to need lots more Canadians to meet the challenges we face in terms of growth in the population as people retire and die off. Given the limited childbirth that we're having in the country, how do we continue to bring in people and use many different avenues to do that?

I think this is very important because it allows us to recognize that we have to help Canadians get into the job market, because if we don't, we're going to get resentment, but equally [*Technical difficulty—Editor*] new Canadians also come from abroad to help fill the job market that exists. They can bring their skills and talents and put them to work in Canada.

• (1720)

Ms. Julie Dzerowicz: That's helpful, Mr. Yussuff.

On that, do you think we have the local, regional labour and skills data that we need across the country to help us properly adjust our immigration policies, skills and training strategy to be able to make sure that we have people moving towards jobs or training up to where the jobs are?

Mr. Hassan Yussuff: I think we have good data in terms of those who are unemployed, because they are in the system if they're filing for benefits or they lose their jobs. We don't have good data on what the skills are of those workers who lose their jobs. I think there has to be a better way to do an assessment of workers before they actually get laid off or their jobs are gone, so at least we know what their skill level is. More importantly, ask those workers if they're willing and able to get into a training program that they can access. This will help them update their skills while they may be on benefits or trying to transition to a new job.

Ms. Julie Dzerowicz: Thank you so much.

My last question is to Ms. Morse.

I'm following along the lines of what Mr. Easter was talking about earlier. I too was worried about your comments about PPE, Ms. Morse, but I really appreciated your comment that you wanted to work on reporting and accountability measurements in place. You might not have this now, and if not, then I'd really love it if you would forward this to the committee in due time. Do you have specific recommendations to the federal government in terms of how we can do better in terms of directly sending money to our school systems so that it gets to you in a timely way, and it goes to exactly where it's supposed to be going?

I think we're struggling with how to make sure we do that as efficiently and effectively as possible. Would you have any ideas you might want to share right now, and if not, would you be able to forward that to us?

Ms. Shelley L. Morse: Certainly. It is alarming that teachers are spending out of their own pockets for their protective equipment to go to work each day, but it's nothing new for teachers across Canada. We have always financed our own classrooms, although we were never told that's what we would be doing when we were hired. Lots of times we don't have the necessary books and consumables that we need to do our job as teachers. When COVID hit and we were told that we would be going back to school, we knew we would probably be supplying PPEs and hand sanitizers, and whatever was necessary for us to do our jobs well. It's not what we should be doing—that should be supplied by our provinces and territories—but we can't see our students suffer either.

I think we need an accountability mechanism for where the money is supposed to go. It was a very broad target: to be used for COVID and getting students back to school. There were no consultations with our teacher organizations to say, "This is what our plan is for the money. Do you have any suggestions? What would you say that teachers would find most important and most helpful so that they could deliver their curriculum well?"

We need that door open for consultations. We need some type of accountability mechanism. The government has generously given funding for classrooms, but it has not trickled down. When the teacher organizations across Canada have asked questions, they don't get a response or any type of answer. I think, moving forward, government has to make sure that provinces and territories are accountable for that money. It was slated for a specific use, but we're not seeing that translated into our classrooms.

• (1725)

Ms. Julie Dzerowicz: Thank you so much.

The Chair: Thank you all. We are a little over time on that one.

We'll go to a two and a half minute round with Mr. Blanchette-Joncas, followed by Mr. Julian.

Maxime.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Thank you, Mr. Chair.

I'll continue to ask Mr. Côté, from the Conseil québécois du commerce de détail, questions of the same nature as earlier.

In 2017, the Quebec government estimated that the lost QST revenue amounted to \$260 million. The lost GST revenue is likely to add up to millions, if not billions, of dollars.

Mr. Côté, do you have any information on the lost GST revenue in recent years, particularly for online products?

Mr. Jean-Guy Côté: The research chair in taxation and public finance at the Université de Sherbrooke conducted research on the impact of applying the GST to various products purchased online from abroad. It was estimated that, for Canada as a whole, the lost revenue for the government in terms of these products amounted to between \$864 million and \$1.93 billion per year. Given a possible return to balanced budgets, this constitutes an attractive revenue stream for the government. It would also promote fairness between retailers based in Canada and Quebec and international platforms.

Apart from that, there's also a measure concerning interchange fees. Remember that interchange fees in Canada are among the highest in the world. Europe caps them at 0.5%, while in Canada they average 1.5%. Most recently, the rate was 1.4%. This measure would go a long way to putting some money back into the system. To give you some perspective, I'll use the example of the European Union. An estimated 800 million euros per year has been taken out of the pockets of European taxpayers simply by capping interchange fees.

There are other measures. We'll actively participate in the consultation announced in the budget, and we hope to see more concrete measures this fall.

Mr. Maxime Blanchette-Joncas: Thank you for the clarification, Mr. Côté.

As you may know, yesterday's budget extended the Canada emergency wage subsidy and the Canada emergency rent subsidy. However, we can see that the percentage of assistance will decrease starting in July.

In your opinion, should these programs have been extended at the current rates for the hardest-hit sectors, including some businesses?

Mr. Jean-Guy Côté: The various subsidies are still in place because they're supporting the different businesses during the pandemic. If the number of cases remains very high over the summer and businesses are unable to reopen as planned, the gradual disappearance of these subsidies may be more difficult for the businesses.

The wage subsidy is crucial for retailers, since it's vital to maintaining the employment relationship. In Quebec and the rest of Canada, retailers are finding it very hard to recruit employees. In this situation, they can't afford to send an employee back home for the third time because of the lockdown. Any reasonably resourceful employee without a strong employment relationship will update their resumé and find a job elsewhere.

When the economy picks up, the recruitment challenges will resurface. There isn't a large supply of potential employees in the sector, so this may cause issues in terms of the services provided.

[English]

The Chair: Thank you both.

We will turn to Mr. Julian. We will have a little time [*Technical difficulty—Editor*] five. It will be Mr. Kelly, Ms. Koutrakis, Ms. May and Mr. Sorbara. We will have a few minutes left if others want on.

We're turning to Mr. Julian.

• (1730)

Mr. Peter Julian: Thanks very much, Mr. Chair.

I'd like to turn to Mr. Yussuff for a question.

I'd like to thank you for being such a strong advocate for public universal pharmacare. As well as the Canadian Labour Congress, we've had labour activists across the country who have really been fighting for public universal pharmacare. Particularly with this pandemic and the number of people who've lost their jobs, we're seeing an increasing number of people who have no medication plan at all. That's why the Canada pharmacare act that was brought forward in February—and endorsed by the CLC, as you know—was so important. Government voted that down. That would have structured pharmacare on the same basis as our universal health care.

The Hoskins report called for funding this year to negotiate with the provinces to set things in motion. There was no new funding available for pharmacare at all in this budget. Many people are saying that this is abandoning pharmacare and that pharmacare and child care could have been discussed and negotiated with the provinces together.

Could you outline the importance of having public universal pharmacare for workers and for the millions of Canadians who have no medication plan and who struggle to pay for their medication, particularly in a pandemic?

Mr. Hassan Yussuff: Thanks, Peter, for your question.

Of course, we have had a campaign out for over three years in regard to establishing a national pharmacare. This came about, again, through our own convention and dialogue with our members. I spent a couple of months criss-crossing the country. I did a 27-city tour, talking to Canadians in general about the challenge we face.

The stories I heard certainly broke my heart in regard to how people are struggling to access medication. It certainly reinforced for us that this is a fundamental commitment. We have to find a way, as a country, to bring in a national pharmacare plan that will take....

My entire life I've had no real need for medication. I've been fortunate. I haven't been sick. I don't need to take medication, but I've had coverage from my workplace plan. There are millions of Canadians who don't have that luxury of having a workplace plan where they can actually go and get their medication. I understand very much what people are struggling with.

I think yesterday was a missed opportunity in the budget, and I really think that people need to know very clearly that we are not going to stop our campaign to achieve a national pharmacare plan. It's one thing we have done and will continue to do. We believe this is achievable, and more importantly, the cost of medication for the provinces and for the federal government is not going to go down in terms of recollective purchases. The sooner we can find a national mechanism to purchase medication but also to develop a national formulary, I think, the sooner we'll get to a place where we can show how we can do this.

The provinces are an equal part of it. It is important that the federal government partner with the provinces to make this happen. Of course, Hoskins, in his report, laid out a very clear plan of how we can get there. Essential medicine is the first part of his recommendation. We're going to continue our efforts.

I would make a last point on this. A lot of our members, by the way, as a result of the pandemic, who have lost their jobs and been laid off, have also lost their workplace coverage. They have no access to their workplace coverage at the end of the day. It's critical. In this context, we saw this, of course, as a major disappointment yesterday, and we'll continue our efforts.

I would end with this. When we started our work to expand the Canada pension plan, it took us nine years to get the federal government and the provinces to come together to achieve that objective. Nobody ever thought we would do that, and despite a commitment to do so by the previous federal government—and then it failed—we finally succeeded in 2016.

I can say this without any hesitation: We will not stop our campaign to achieve a national pharmacare plan because we think it's fundamental to the equality of all Canadians. If you live in P.E.I., you should not have different access to medication than if you live in Ontario or in British Columbia. We should all be treated the same, and the only way we're going to do this is the way we have done health care in this country.

The Chair: Okay. Thank you considerably.

We go over to Mr. Kelly, followed by Ms. Koutrakis, in five-minute rounds.

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

Just to begin, as the shadow minister for small business, I want to focus my questions on some of our witnesses who represent small business members. I'll maybe start with Monsieur Côté.

Is it fair to say that while many of your members have been assisted by the government programs that have been designed to keep people employed and to keep businesses from immediate collapse in assisting with expenses like rent, for most of them, there's just no substitute for having their customers back? Would you comment on the necessity of a plan for a safe and permanent reopening of the economy?

• (1735)

Mr. Jean-Guy Côté: Thank you, Mr. Kelly.

I have to say that my members mostly want to reopen as soon as possible—that's their main goal—but obviously they don't want to mix that with having some customers getting sick inside their stores. They will follow the rules of the different public health unit in each province to reopen, especially in Quebec. Some regions are under stress right now with a lot of COVID cases.

Frankly, we hope the summer will be a bringer of good news. The vaccination process is going well, but the reopening will not be as fast as people think. There will be some adjustments along the way to get the people back, and the places back.

Mr. Pat Kelly: Thank you.

I'll now ask Ms. Hodson to weigh in on this, and maybe in particular, on the issue of debt and indebtedness. You mentioned your own business and you've talked about the number of businesses in your industry that have closed. It seems to me there are three kinds of debt going on here. There are government aid measures, which are debt and cause businesses to become indebted. There is existing credit and commercial debt that businesses take on. There is also a lot of less-understood and less-tracked debt. You mentioned parts of it—rental arrears, unpaid invoices, bills to other partners or affiliated businesses.

Could you comment on the role debt is playing in your business and the threats to recovery that debt presents in the business community?

Ms. Sara Hodson: Absolutely. Thank you for the opportunity.

In addition to everything you mentioned, in the fitness business, we have to lease fitness equipment, and that is still in our facilities. We are still obligated to cover those costs. Again, we are an industry that did have to invest, and many times, that meant going into debt to continue to serve our customers online. That meant building online platforms and maybe software licensing, which is expensive and is per user.

Again, the biggest issue that we experience in the fitness industry is the return of the consumer. When are we going to see the psychological and physical return of the consumer? That's where our biggest loss is. Again, across Canada, facilities are losing \$15,000 to \$30,000 a month. A large player in Alberta with a chain of gyms is using the rent subsidy. However, with the caps and the way the program is built, they're still on the hook for over \$800,000 of additional rent every month and have gone into default on those rental agreements.

Mr. Pat Kelly: Okay. You mentioned that the rental assistance program won't prevent defaults on rent.

Ms. Sara Hodson: Exactly.

Mr. Pat Kelly: Wayne, with just half a minute left, I'll maybe just—

The Chair: Take whatever time you need.

Mr. Pat Kelly: Wayne, as chair, I just want to let you know that I'm hoping to have about five minutes to move my motion. I hope we won't need a lengthy debate on it, but I'll do that at the end.

The Chair: We will have five minutes after each of the rounds.

Mr. Pat Kelly: Okay, at the end—yes.

The Chair: We'll hear from Ms. Koutrakis, followed by Ms. May and then Mr. Sorbara.

Ms. Koutrakis.

Ms. Annie Koutrakis (Vimy, Lib.): Thank you, Mr. Chair, and welcome to all our witnesses this afternoon.

My first question is to Mr. Yussuff. In yesterday's budget, Minister Freeland announced commitments to support Canadian workers, including a federal minimum wage of \$15. It also included investments in skilled training, and as we heard in earlier testimony, a plan to implement early learning and child care as well as the extension of the emergency benefits.

Can you talk about how crucial these are to both Canadian workers and the economic recovery, and what you've heard through your membership?

• (1740)

Mr. Hassan Yussuff: As you know, we're still in the pandemic. There are thousands of Canadians who have yet to go back to work and who may not have a job to go back to when this pandemic is over. All of these measures announced yesterday are going to be critical.

The \$15 minimum wage is really important in the federal jurisdiction. It provides leadership at the national level. Equally, there are a lot of workers in the federal jurisdiction who will benefit from this. A good number of them work at airports across the country that have been struggling. As you know, we didn't have a federal minimum wage in the code, and this is, I think, foundational for building forward as it's indexed to inflation. We can debate that, but I think this is really important. We certainly have been campaigning in the CLC for quite some time to establish a national minimum wage.

On the extension of the other program, the CERB, and the extension of benefits going forward, it's critical that workers are able to access benefits on a continuous basis. Again, I know there's a recognition that this pandemic may not be over in September, so we may have to look at those benefits again. There are a lot of Canadians who would have been in abject poverty had we not had those benefits to begin with to support these families and individuals. It's critical that we recognize those realities as we go forward.

The training program is going to give a lot of workers who have been laid off and likely know they may not be going back to their jobs.... It would be good if they could start accessing training to gain additional skills, so they can hopefully improve their job market capacity. An opportunity may come in some new form if they have new skills.

There's also some training recognition for young people in the budget, which is very critical. As you know from the 2008 recession, it took young people a good part of eight to nine years to get out of the double digits for unemployment. The measures announced yesterday are really important. We're going to need to connect young people to be able to access those training and apprenticeship programs, so that we can help give them a bright future going forward.

We're obviously supportive of most of the measures announced yesterday. We recognize that these will be critical to give workers some certainty that they're not going to lose their benefits overnight. A critical part is for us to inoculate Canadians and, more importantly, get the spread of the virus under control, so that we can reopen the economy. There's nothing like having a real job to go to. I think it will give people fulfillment.

Also, some of the investments in infrastructure are critical for the kind of Canada we need to meet our climate change challenge. I very much like the retrofitting announcement for businesses and for homes. It's really going to create a lot of jobs and it'll help families do their part to deal with climate change challenges while equally reducing their heating bills going forward.

Ms. Annie Koutrakis: Thank you for that.

[Translation]

My next question is for Mr. Côté.

The 2021 budget proposes the new Canada recovery hiring program for employers that continue to see a decline in revenue compared to pre-pandemic levels.

How will this program help retailers hire new employees?

Mr. Jean-Guy Côté: It's mostly about securing some income so that conditions can still be provided to employees. Retail employment can be very volatile, especially in stores. A number of industries will need to draw from the same pool of employees during the recovery. The bottom line is that maintaining the subsidy ensures that highly skilled employees can be promised some income.

This measure may help in the coming months. However, how quickly will the funds from this program be withdrawn from retailers' revenue? Will this phase-out of subsidies align with the decrease in the number of cases and the reopening of stores? This remains to be seen.

Ms. Annie Koutrakis: The Bank of Canada reported a dramatic increase in consumption during the pandemic.

Are you expecting significant increases in consumer activity and retail spending after the pandemic restrictions are lifted? How will this benefit your members?

• (1745)

Mr. Jean-Guy Côté: Since savings rates are extremely high, we expect to see a fair amount of consumption as businesses reopen. Major forecasters are also expecting strong growth after the removal of restrictions.

Some retail sectors are doing very well, such as hardware and renovation. The past few months have been very good for these businesses. However, other sectors, such as fashion and clothing retailers, are struggling a bit more. We expect these sectors to benefit from increased consumption as people return to work.

Ms. Annie Koutrakis: Do I have time for one last question, Mr. Chair?

[English]

The Chair: No, you're over time. I'm sorry, Annie.

[Translation]

Ms. Annie Koutrakis: Thank you.

[English]

The Chair: We'll turn to Ms. May for a couple of questions and then to Mr. Sorbara. Then we'll go to pass a motion.

Go ahead, Ms. May.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Thanks, Mr. Chair.

Thanks for the generosity of the members of the committee for giving me some time.

I want to ask my first question to Ms. Clemence.

I have an island to island... I'm on Vancouver Island, and the feedback from tourism operators and coach bus operators is very similar to your reaction to yesterday's budget, so I specifically wanted to ask you about the budget, knowing and completely agreeing with every word you said about the precarious situation of the tourism sector, coach bus lines and big attractions. In my area, Butchart Gardens is an example.

With \$500 million announced in yesterday's budget as specific tourism relief money, and \$100 million for Destination Canada to market Canada more, the response in my area is, "What are they going to market if our attractions have gone out of business?" I just want to get your sense of whether the budget from yesterday helped your sector and what more we need to do.

Ms. Corryn Clemence: I think we were happy to see the Destination Canada funding. I think it's important to have that component, but you're right. What will we have, and what's the supply chain left that really gets through and survives this pandemic? The \$500 million, again, sounds great, but when you're spreading it across the country, how will that be allocated? In Prince Edward Island, for example, tourism is a huge industry. How that money will be allocated throughout the provinces and throughout each of the regions is a question that we have.

We heard about the Canada recovery hiring program. I don't know all the details of that, but for a seasonal industry, I don't know whether that will benefit us as much as it may some of the other sectors. I think we were hoping the wage subsidy wouldn't be on that declining scale. I think that was a big disappointment for us.

I've talked to a number of our operators who were saying that we're really not out of this pandemic yet. We're facing the third wave, and again, Atlantic Canada has been relatively safe in comparison to some of the other areas, but we're not out of this either. We still have a lot of restrictions in place, and if our operators are seeing a 60%, 70% and 80% decline in their businesses, and that wage subsidy is down to maybe 20% as opposed to the 75% that we were seeing before, a lot of our operators are contemplating not opening again this year.

Ms. Elizabeth May: Thank you.

If I have time, I'll quickly go to Mr. Yussuff.

The Chair: You do. Go ahead.

Ms. Elizabeth May: You didn't speak to it in your testimony, but you sure could have with the amazing work you did, the just transition work that you did, under the mandate of former environment minister Catherine McKenna on how to address just transition so that fossil fuel workers aren't left behind.

I wonder if you want to share with the committee what should have been in the budget and what we should keep pushing for to make sure that those workers are well employed well into the future.

Mr. Hassan Yussuff: Thank you very much, Elizabeth, for recognizing that work. We think it's foundational in regard to the challenges we will deal with going forward with workers who are going to need to be acknowledged and the communities—it's not just the workers, but the communities—that are going to be transitioning in sectors across the country.

As you know, when we started the task force, the government seeded our work with \$36 million and then subsequently, in the 2019 budget, the former finance minister allocated another \$150 million for transitional measures to those communities that are going to be impacted by the coal phase-out.

Of course, we recognize that there are some other things that we had recommended in that report that need to be followed up on, and one of them, which we're pursuing with the government, is the just transition piece of legislation that will lay out in very concrete terms the conditions the workers would be assured of should they lose their jobs and have to transition: training, auditing of their skills, ability to move, if they choose, and ability to retire.

I think this would be very helpful, because we recognize, as a movement, that climate change is real, and fundamentally there are going to be some challenges and disruptions to certain work that we're doing in the country. We're hopeful, of course, with the just transition act, that we can lead the way as a country as to how we can give workers the assurance that we envision their having futures both for themselves and their families. Also, we want to help the community not lose sight of the fact that they're going to get additional resources to attract other investment when they're losing certain investment in a certain sector.

The one thing I would end on is that there was one community in Alberta we went to where the coal plants were being phased out and the coal mines were going to be shut down. They were going to lose 400 jobs in the coal industry. Today they have attracted 2,000 jobs to that community because of the work they're doing at the local level to ensure that their community is not going to be totally disrupted as a result of the transition going on with coal in their community.

There are some more recommendations in our task force report to be implemented, and we're going to pursue them with the government. We need to bring in just transition legislation to help workers deal with their futures.

• (1750)

Ms. Elizabeth May: Excellent. Thank you.

The Chair: Thank you, both.

I'm sorry. You're out of time, Elizabeth.

Mr. Sorbara, you'll have to wrap it up, and then we'll go to Pat's motion.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Chair. It's always a pleasure to be under your tutelage on this finance committee, which you lead so eloquently.

I have a quick comment. I only have one question for Ms. Hodson, because you are the entrepreneur here on the panel. In the city that I'm home to, in the riding that I represent, I have about 13,000 SMEs here. I work in a plaza, and I know my restaurant, my bakery shop, the tailor next door, the drycleaner. I know how hard they work and how much they've been impacted during this pandemic.

To Mr. Yussuff, I was very happy to see in the budget, hopefully, the end of contract flipping at the airport. That was something that I brought up in the first term of Parliament. I look forward to seeing that legislation there, Mr. Yussuff, so I'm very happy there.

To Ms. Clemence, your sector was the first in and is going to be the last out. As we have an accounting life on FIFO, you can make your acronym there. We hope, as the vaccination rollout continues, that we can start reopening those routes, especially those regional routes out to P.E.I. and so forth, and get tourists out there.

To Ms. Hodson, as an entrepreneur this has been a very excruciating time for you and for many people, but we have extended a number of programs to assist businesses, and the numbers speak for themselves in the CEBA and stuff. My riding is home to a lot of single-entrepreneur fitness businesses—one individual entrepreneur. Can you speak to some of the programs that have worked well for your sector and for small businesses?

Ms. Sara Hodson: Absolutely. Thank you for the opportunity, Mr. Sorbara.

The wage and rent subsidies have been the most critical programs for our industry. In the very beginning of the pandemic we were negotiating strongly with landlords. As the Fitness Industry Council of Canada, we had all of our facilities on massive Zoom calls, all figuring out how we would negotiate with landlords, and a lot of that has been through rent abatement. There are upcoming costs that will hit our books and hit our bank accounts, but in general, the wage subsidy for the people we have been able to maintain employment for has been extremely helpful.

For our facilities, whether they're smaller boutique facilities or large 30,000-square-foot facilities, they have been very helpful, but there are of course limitations to all of it. Anecdotally, it feels like they're going to work for a lot of different types of businesses. Again, in the fitness industry, as a thriving industry entering this pandemic, we had businesses opening in the tens and hundreds across this country on a month-to-month basis. The majority of those fitness businesses that were new have closed. I have personally had to close four of our locations. They were all the newest and youngest of our locations that were opened in the 12 months prior to the pandemic starting.

The programs have been great. The limitations to them have made it so that there are groups, even within our industry, that cannot benefit, but the economic burden that our industry has to reopen is almost insurmountable.

• (1755)

Mr. Francesco Sorbara: Thank you.

The Chair: Okay, we will have to leave it there. Thank you all.

To the witnesses, you're welcome to stay, but we do have a hard stop at six o'clock, Ottawa time.

Mr. Hassan Yussuff: I love you dearly, Wayne, but I have to go.

The Chair: Okay.

Thank you very much to all of the witnesses. There has been very constructive criticism—some great ideas. That's what we appreciate at this committee, so I thank each and every one of you.

It's over to you, Pat, if you want to read your motion. I don't have it directly in front of me.

Mr. Pat Kelly: I'm happy to read it, but I'm going to first note that the clerk had been in touch with me, based on feedback from

the organizations that we've invited. It had been recommended to me that if I can do so by way of friendly amendment, meaning consent, that I substitute a couple of individual names. I'll read the motion incorporating the two changes suggested by the clerk.

I move:

That the committee hold one 3-hour meeting consisting of two 1.5-hour panels including Andrew Cowan and Michel Tremblay of the CMHC in one panel and Paul Kershaw of Generation Squeeze and Charlie Ursell of Watershed Partners in a second panel to testify about the study entitled "Wealth and the Problem of Housing Inequity across Generations in Canada"; and that opening statements for the meeting be limited to five minutes per panel.

For those who are reading from the motion on notice, I'm substituting Michel Tremblay and Paul Kershaw for Steffan Jones and Eric Swanson. If I may move it as read, I'll do so. That's all I have to say. I don't wish to make an argument in favour of it, but just perhaps to put it to a vote.

The Chair: Okay.

Can you tell me, Pat, since some of the witnesses who were invited have declined, whether it was a firm decline or a matter of timing?

Mr. Pat Kelly: Indeed it was.

The Chair: Could they be brought in under the study we're doing? I would doubt if anybody has a problem with inviting them as witnesses if there's a way of doing it under the current study. I think the invitations went out, and the declines that happened were not a matter of not attending on that topic. I think it was just that they couldn't do it at that time. The clerk could probably better respond to that.

Would that accommodate them if we were to agree to try to bring those witnesses in? Would that accommodate your request?

Mr. Pat Kelly: Are you asking me or the clerk?

The Chair: I'm asking you.

Mr. Pat Kelly: I thought you were asking the clerk to comment.

We had invited all of these witnesses and were not successful in having a meeting on it, so I formed this into a motion. That's why we're here. If I understand, the clerk who spoke to Paul Kershaw, one of the witnesses, has said that he is now willing to appear. He had declined before and perhaps the witnesses weren't clear on exactly why we were calling them. Maybe that was part of it, I don't know.

The motion is pretty clear on who we want. We want two panels of an hour and a half each. Whether it is considered a separate study or not doesn't matter a whole lot to me, but I would like to hold this meeting in our next available three-hour session. That is not this Thursday, unfortunately, but maybe we could get a three-hour session on Tuesday. These witnesses know that we would like to have them. Hopefully, one way or another, we can get these witnesses here for the session.

• (1800)

The Chair: I can open it up for debate. We are at the hour so we do have to end. I believe we have a dead stop, Mr. Clerk. I see that several people want to get into a debate on this motion.

Pat, could the clerk contact these witnesses to see if they can come in on a regular panel? If we open up another study, we have to do a separate report. That's what I'm a little worried about. I don't mind. It's up to the committee as to what they want to do.

Mr. Clerk, what's our time frame here?

The Clerk of the Committee (Mr. Alexandre Roger): I would have to check with the services to see what the hard stop is. I would assume 6:30, but I need to talk to them first.

The Chair: Okay, talk to them, and we'll open it up for debate. I think we could at least invite them on this study, but I will go to Ms. Dzerowicz first, then Mr. Julian, and then go from there. Then we'll have to go to a vote. The motion is on the floor in any event.

Ms. Julie Dzerowicz: Mr. Chair, I think the clerk was trying to give some input into this discussion. He was kind of giving a signal there. I didn't know if he had something to offer before I made my comment.

The Clerk: Thank you very much, Ms. Dzerowicz.

The only thing I wanted to say was that we can no longer have any extensions of our committee meetings, which means that we will not be able to have three-hour meetings in the future, just because the Senate has started sitting. I informed the chair about this. If we are waiting for a three-hour meeting for next week, next Thursday or whenever, it's not going to happen. The last three-hour meeting we have is this Thursday, in two days.

The Chair: That makes this two hours, Pat.

Mr. Pat Kelly: You said at the outset of this meeting that we cannot meet for three hours because of the votes. Given that the voting—

The Chair: I might have misspoke.

This Thursday, we do have a three-hour meeting scheduled, but the votes are probably going to disrupt that. Following from there, due to the Senate committees meeting and so on, I'm told that we can only have two-hour meetings. That's why the Governor of the Bank of Canada and the PBO were limited to one hour each, rather than our normal one and a half.

Mr. Pat Kelly: My motion is on the basis of a three-hour meeting. I think I would want two one-and-a-half-hour panels. I would be willing to spread the two one-and-a-half-hour panels over two consecutive meetings. We're going to need more than a two-hour committee meeting for this.

The Chair: Let's start to debate the motion, and the clerk will tell us when we have to stop. We have a dead stop for other committees, I understand. We'll go to Ms. Dzerowicz, and then Mr. Julian.

Mr. Clerk, please interrupt whenever you have the information.

Ms. Julie Dzerowicz: Just give us a signal.

Mr. Kelly, I have no problems with any of the names that you've listed. I wonder if you would be amenable to reinviting all of them

to this session that we have right now, and if, for some reason, the chair's not able to actually book them in, that we revisit your motion. Just in terms of expediency, in terms of getting them in, in terms of hearing from them and in terms of the facilitation of the report, I wonder if you would be amenable to that.

The chair tries to schedule these witnesses as part of our current study, and we'll return to the motion if for some reason that's not possible. Would you be amenable to that?

• (1805)

Mr. Pat Kelly: I would be amenable on the understanding that this be the next...within the constraints that I've just heard. I wonder if even this Thursday, within the limitations of the votes, we could somehow get to a three-hour meeting.

We don't need a 30-minute bell to get us to the chamber. We do need some time to perhaps log off the device and log on to a vote if you can't have two open at once.

I would be open to this Thursday. It sounds like the clerk has been in touch with our witnesses on this already, so they're waiting for it. If we think we can get all four of these witnesses here on Thursday, I would be amenable to trying to make this work within the time constraints we have with the vote. Maybe that's the most reasonable.

The Chair: The clerk of course would have to respond to this, but I believe—

Ms. Julie Dzerowicz: Are we able to? Can we fit that in?

The Chair: There are a number of witnesses invited already for Thursday. I don't know how many have accepted. The Canadian Association of Petroleum Producers is one. I don't know how many have accepted. The clerk will have to give us that information. He can think about that for a minute and give it to us.

Mr. Julian is next, followed by Mr. Fragiskatos.

Mr. Peter Julian: Thanks, Mr. Chair.

I don't think this is a problem, even if we're doing two-hour meetings. We could do an hour and a half this Thursday. We could do an hour and a half next week as well. We also have committee business. There are other things that would certainly fill that extra half-hour, including looking to the initial draft of the COVID spending report, for example.

I will be supportive of the motion, and I think it's very much doable, even with the time frame that we're talking about, even with votes on Thursday night. We can do the first hour and a half this week and the second hour and a half next week.

The Chair: Mr. Fragiskatos.

Mr. Peter Fragiskatos: Thank you, Chair, and thank you, colleagues.

I fail to see how a new study makes any sense here. It is not efficient. It does not lend itself to our work plan.

To Mr. Kelly, we've heard now that a three-hour meeting is not going to be possible. I want to be co-operative so I won't suggest that the chair look at the motion and determine whether or not it's in order or out of order, but I put to you the following: that we look at what's been suggested in terms of allowing the clerk to reach out to witnesses.

As we heard before, I think they would be open to coming. It was a scheduling issue that prevented them from coming. Let's invite them. Let's keep them as part of the regular study. I would support that. Otherwise, I think we have real questions, Chair, about whether or not the motion is in order because, as it's phrased, it is calling for a three-hour meeting, which, as we've seen, is not possible. I think as a compromise, Pat—I want to work with you here—let's hear from the witnesses that you want to invite, but let's have them come as part of our existing study and invite them that way.

Mr. Pat Kelly: That is fair enough, particularly when we have this obstacle of the votes this Thursday. I'm willing to go with the suggestion that really goes to Ms. Dzerowicz's point to hold this motion in abeyance for now in the hope that we can accommodate with our schedule and get all of these witnesses, if not in one day of two one-and-a-half-hour sessions, then to get them in two consecutive meetings and hear these witnesses.

• (1810)

The Chair: Where are we in terms of this Thursday, Alexandre? Would it be possible to manage one of those? I don't know who has accepted and who hasn't, and I know you have problems getting these headsets out on time, and so on. Would it be possible to take some time to group who has accepted now in a one-and-a-half-hour session and pull who we can from these folks into the other session, if they're willing to do it?

The Clerk: We had a three-hour meeting with two panels, and all of the witnesses except for the Conservative witnesses have accepted. The panels are all full, except for the four spots reserved for the Conservatives. One of the spots was for the Fraser Institute, which hasn't responded yet. I know that most of the three witnesses, the organizations that are mentioned in the motion, are most likely agreeing to come on Thursday this week because I was in contact with them earlier this week. They already know that this is coming.

The Chair: Then we kind of hate to break that commitment to them. Could we then agree at this point that maybe whoever is in contact with these folks from the Conservative side.... Pat, could maybe talk to them to see if they would accept coming in for a meeting next week or thereabouts to see if there is any way we can get them in?

We seem to be having witnesses declining, and I don't know what the reasons are.

Mr. Pat Kelly: I am a little confused though now because it sounds like the clerk has more witnesses. If you have the four witnesses from my motion, and you're in contact with them, and they're already willing to come on Thursday, but you also have oth-

er witnesses that you've invited as backup or concurrently, it sounds like we have too many people coming on Thursday.

The Chair: We'll go to Alexandre on that, then, because I'm not sure. The list I have for Thursday has both panels here of the invited witnesses, and there were two from the Fraser Institute—Fred McMahon and Steven Globerman.

Are you saying, Alexandre, that they have declined at this stage?

Those aren't the two names you named, are they, Pat?

Mr. Pat Kelly: No. I'm looking for CMHC, Generation Squeeze and Watershed Partners. Those are the ones in my motion.

The Chair: Okay. We'll ask the clerk to clear this up, if you could, Alexandre.

The Clerk: Yes.

The way it works is that during a one-and-a-half-hour panel we have six witnesses—two Liberals, two Conservatives, one Bloc and one NDP. That means that in a three-hour panel, we have four witnesses for the Conservatives, and they're per organization, not per person.

We had the Fraser Institute, which is one, but you still have three, so we can have the CMHC, which is one, and then Generation Squeeze, which is the third, and Watershed Partners, which is the fourth. We are able to accommodate the four witnesses from the Conservative Party, no matter how many people they send per organization.

Does that make sense?

Mr. Pat Kelly: Right.

My motion really envisioned having two dedicated panels to these witnesses. I am inclined to allow this to go to a vote, and if it's the will of the committee to support this motion, then I'd like to go ahead with that.

The Chair: It would have to be rewritten a little, given the three hours, I think.

Could we do it this way, Pat? I think we have a steering committee meeting scheduled for Monday night. Could we try to sort this out at that time? It's immaterial to me. We can vote on it now.

• (1815)

Mr. Pat Kelly: We're left with the problem of this Thursday and not being able to truly accommodate a three-hour meeting anyway on Thursday.

Yes, I can hold the motion back and bring it to our steering committee. If we can get some of the witnesses, if some of them are standing by and potentially would be part of a panel on Thursday, I don't really want to delay hearing these witnesses. I'd like to get these witnesses to committee one way or another.

The Chair: Okay, I'm a little confused now.

If any of these witnesses have been invited on Thursday, that invitation still stands, I think.

Mr. Pat Kelly: Okay.

The Chair: If there is room to bring them in, or if certain witnesses have declined, we can handle six per panel.

Let's try that. We'll find out what we're left with, and we will deal with it at the steering committee on Monday. You can pull the motion up again, and we'll have a vote on it. Are you okay with that?

Mr. Pat Kelly: Yes, that's fair enough.

The Chair: All right.

Thank you, folks. We will adjourn the meeting, and we shall see everyone on Thursday.

The meeting is adjourned.

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