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Chair: The Honourable Wayne Easter



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• (1100)

[English]

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

Welcome to meeting number 49 of the House of Commons Standing Committee on Finance. Pursuant to Standing Order 108(2) and the committee's motion adopted on Tuesday, April 27, the committee is meeting to study the subject matter of Bill C-30, an act to implement certain provisions of the budget tabled in Parliament on April 19, 2021, and other measures.

Today's meeting is taking place in the hybrid format pursuant to the House order of January 25, and the proceedings will be made available via the House of Commons website. So that people are aware, the webcast will always show the person speaking, rather than the entirety of the committee.

We will start with BIOTECanada.

Just before we do that, just as a heads-up to committee members, we were having some difficulty in getting extended hours on May 27 to deal with clause-by-clause. That's now been accomplished, so we will be able to meet into the evening of Thursday, May 27 when we're in clause-by-clause to, hopefully, finish Bill C-30 that evening. We'll go from there.

I see that Mr. Barrett is on there. Does he want to do a sound check, Mr. Clerk, before we go to BIOTECanada?

The Clerk of the Committee (Mr. Alexandre Roger): Yes, certainly.

Mr. Barrett, if you could go ahead and test your mike, we'll check with the interpreters in the room on how you sound.

Mr. Michael Barrett (Leeds—Grenville—Thousand Islands and Rideau Lakes, CPC): Thanks very much, Chair and Clerk.

I'm pleased to be joining the finance committee today. I appreciate the work of our interpreters and technicians. Thanks very much.

The Clerk: Thank you.

The Chair: With that, we'll start with our witnesses, going first to Andrew Casey, president and CEO, BIOTECanada.

Welcome, Andrew. The floor is yours.

Mr. Andrew Casey (President and Chief Executive Officer, BIOTECanada): Thank you, Mr. Chair, and thank you very much to the committee for this important and very timely opportunity for BIOTECanada.

By way of introduction, BIOTECanada is the national association that represents Canada's biotech industry. We have some 240 members across the country in every single province, with significant clusters or hubs in every province. As I'm sure the minister from P.E.I., and you, Mr. Chair, will attest, there's a thriving one in P.E.I., but there's also one in every single province across the country.

Our members are in the biotech space. The companies develop biotechnology innovations that have industrial, agricultural, environmental and health and life sciences applications. We include the large multinational pharmaceutical companies, those that are making the vaccines for the current COVID crisis, but also most of our members are the very early-stage companies that are developing innovations for future health care crises or challenges and also, of course, for a planet that is becoming overpopulated and that needs solutions for population growth.

I'm just going to think back to where we were a year and a half or so ago, before the onset of the pandemic. At that time, everybody looked to this industry for some solutions. They looked for therapeutics. They looked for vaccines. At the time, it looked as though vaccines would be, at the best, three or four years out, but shortly thereafter we had a couple of very viable vaccine candidates being tested and looked at in the form of Moderna and Pfizer. In December vaccines started to go into arms, and since then a couple of other vaccines have come through, namely, AstraZeneca and Johnson and Johnson, with more on the horizon, including those from Canada's Medicago and, hopefully, IMV.

There have been some phenomenal developments in a very short period of time. I think it's a true testament to science and to the industry but also, globally speaking, to the regulators. I think a huge amount of credit goes to the Canadian regulators as well. Here we are now in a position where vaccines are going into arms. We're doing quite well in Canada, with vaccination rates going up nicely. I encourage everybody to keep getting vaccinated.

We have an opportunity to really turn our attention to what lies ahead. There are two key imperatives, I think, for the government and for society more broadly.

One is to prepare for the possibility of a future pandemic or pandemic-like challenge. The other is the economic rebuild. As we've seen throughout the pandemic, the biotech industry has continued to thrive. Investment has flowed to the sector, and the companies have continued to move their innovations and discoveries along to a place where they're getting more investment. That's all been very encouraging.

When we think about meeting the two objectives of preparing and rebuilding, this sector can actually meet on both of those objectives. We have a fantastic foundation upon which to build. Our association represents 240 companies, but there are probably three times that number across the country, so we have a great ecosystem in this country upon which to build. As the health and biosciences economic strategy table noted, there are some fantastic companies, innovations and scientists, but we do have some gaps that need to be filled.

I think the important thing to notice in this budget is the obvious recognition of the importance of the sector and the need to fill those gaps, particularly by improving access to investment capital, refinancing key funding programs and building biomanufacturing capacity as we think about future viruses.

The \$2-billion plus commitments that stretch across a number of different parts of the biotech ecosystem are extremely important investments, from our perspective, and are very welcome. They fill some of those gaps, including one billion dollars' worth of commitments to the strategic innovation fund. There's now a dedicated life sciences fund in addition to a venture capital fund, as well as important investments in adMare BioInnovations, VIDO-InterVac in Saskatoon, Genome Canada and the Stem Cell Network. These are really critical investments across the country into key areas that are going to help build our capacity to respond to a future crisis, but also recognize the economic importance this sector can provide.

These also build on some of the important investments that have been made throughout the pandemic. We have seen a number of key investments into companies like AbCellera, VBI Vaccines, Medicago and IMV. I think all of this combined sends some really important signals and puts Canada in a pretty good position to take advantage of the fact that around the world biotechnology is seen as a key place to invest. By some estimates, somewhere in the area of \$60 billion is being invested in the biotechnology sector.

• (1105)

Canada has to stay as competitive as possible and take advantage of that. We have a fantastic ecosystem, great companies and phenomenally talented researchers and scientists. We're doing world-leading research and we have lots of opportunities. The budget recognizes this. I think the challenge now is for all of it to come together, tie into the investments that are being made globally and really put Canada on the world stage. We welcome the budget and certainly the investments that are made.

I will leave it at that. I look forward to questions from the committee.

Thank you.

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

Ms. MacNaughton, we'll go to you, and then we'll close with Minister Fox.

Go ahead, Ms. MacNaughton.

Ms. Kathy MacNaughton (Accounting Clerk, As an Individual): Hello, Chair and members of Parliament. Thank you very much for giving me this opportunity to talk to you about something that's very dear to my heart—EI sickness benefits.

My name is Kathy MacNaughton. My common-law husband, David Fraser, was diagnosed with esophageal cancer on December 3, 2014, his 50th birthday. Although we were devastated by this news, we were optimistic that we were going to beat this.

We went and applied for EI sickness benefits. Then we had consultations with our doctors in Halifax. We came up with a plan. The plan was that he would go through 25 rounds of radiation and two bouts of intense chemotherapy. Through a bottle attached to a PICC line, the medication would go through his body 24-7 for five days each time. After his treatment, he would have an operation where his diseased esophagus would be taken out and reattached to his stomach. Then he would recover.

David started his treatment on January 3, 2015. I continued to stay home, because he had a brother in Halifax who could look after him. I continued to work. David finished his treatment in the middle of February. He came home, and we were waiting for the surgeon to call to give him an appointment for the surgery. Two days later the surgeon called with more devastating news. David's cancer had spread to his liver and his aorta. He was deemed terminal. However, we could still continue treatment in New Glasgow, which would give him up to three years to live.

We went for treatment. I continued to work, because financially we needed me to. I changed my hours. I went from four o'clock in the morning until 12 o'clock in the afternoon so that I could be home with him to give him the medication and needles that he needed.

In the middle of March, his EI sickness benefits ran out. He said, "What are we going to do? How are we going to survive?"

I said, "Don't worry about it. You still have 30 weeks of regular EI. We'll go down and we'll talk to them. They have to help us."

We went down to talk to them. There was nothing they could do. He wasn't allowed to draw that 30 weeks because he wasn't able to work. We were devastated. We got back in the car and I said, "David, I promise you that I will change this, because this is so wrong. You have 30 weeks of unemployment that you paid into and you're not allowed to draw it."

He started his chemotherapy. We called disability pension, and we were offered \$852 a month to help us financially. This was not enough, but there was nothing else we could do.

During the time when he was doing his chemotherapy, my sister Kelly wanted a laminate floor installed. David told me one day when I came home from work, "I'm going to install that floor for her." I said, "David, you can't. You're not strong enough." He said, "I have to. I have to help you financially so we can get through this." I said, "Okay. We'll do it." I went up with him. I carried the boards over to him and he cut them. He shimmied across that floor and he laid that laminate flooring. It broke my heart. He said it set him back physically a lot, but mentally it really helped, because he finally was able to contribute and help me pay the bills.

David passed away on August 4, 2015, eight months after his battle with esophagus cancer—one and a half months after he laid that floor.

I started David's Cause in September of 2015. I started off with Tim Houston, our local MLA. We had a change of government and he introduced me to Sean Fraser. Sean and I ran with this. We had to get my story out there because it was so wrong that people were worrying about financial situations when they were dying.

● (1110)

I worked with Canadian Cancer Society and finally, after seven years, my story was heard and my promise to David has been fulfilled. With the 2021-22 budget, EI sickness benefits will change from 15 weeks to 26 weeks. This is huge. This will help over 169,000 Canadians a year who are fighting a serious illness or injury.

My take-away to the panel today is this: Please don't view this as a political issue. View this as a humane and personal issue so that those 169,000 Canadians will not have to go through the financial worries that David went through while fighting for his life.

Thank you for your time.

The Chair: Thank you very much, Kathy. You have our sympathies on your loss and certainly our congratulations on your taking up the challenge and taking on the fight and moving the political system, which, as we very well know, is very hard to move.

We'll turn now to the Honourable Minister Jamie Fox from the Department of Fisheries and Communities. Just to give you a location for Minister Fox, if you ever drive across Confederation Bridge, you can near wave at him as you come off that bridge. That's the area he lives in.

The floor is yours, Jamie. Go ahead.

● (1115)

Hon. Jamie Fox (Minister, Department of Fisheries and Communities, Government of Prince Edward Island): Thanks very much, Wayne, and good afternoon to the committee. It is a pleasure to be here today.

It's quite a story that you expressed here, Kathy, and my thoughts are with you and your family.

I'd like to thank everybody today for this opportunity to speak to the finance committee in regard to an issue that's very important to us and the marine sectors of Atlantic Canada.

The seafood sector in Atlantic Canada in 2020 had exports of more than \$4.5 billion and is responsible for supporting tens of thousands of jobs across mainly rural coastal communities. The Department of Fisheries and Oceans, DFO, has the very challenging task of managing over 1,000 harbours across this country, and I want to recognize the work they do, especially in eastern Canada, which accounts for 80% of Canada's fishing harbours. We all understand the importance of addressing this essential infrastructure.

I have had conversations directly with my fellow Atlantic ministers as of this morning to bring them up to speed. We are all in agreement—the provinces of Newfoundland and Labrador, Nova

Scotia, New Brunswick and Prince Edward Island—that a new approach, a more strategic long-term approach to effectively deal with essential infrastructure needs to be put in place. We are all in agreement that the timing is right to support the federal government's approach to post-pandemic efforts to build back better and the blue economy.

I have met with the P.E.I. Fishermen's Association and the Prince Edward Island Aquaculture Alliance. They raised the urgent need their members are facing every day regarding the many harbours across Prince Edward Island and their need for repairs, which is the same story facing Newfoundland and Labrador, Nova Scotia and New Brunswick.

While we are very pleased to see the additional investments proposed in the 2021-22 federal budget of \$300 million over the next two years, we feel that this is a short-term approach and is not conducive for sound and strategic long-term investment planning and infrastructure.

An evaluation of the small craft harbours program in 2013 specifically stated, "Having to rely on substantial funding beyond the program's base budget indicates that the program lacks sufficient funding for [lifetime and] lifecycle management."

It was also documented in a 2019 report of the Standing Committee on Fisheries and Oceans that "the annual funding required to keep all core fishing harbours in good working condition is estimated at over \$150 million annually, but the average A-base annual budget remains at approximately \$75-85 million, excluding salaries and overhead". This was according to the assistant deputy minister for fisheries and harbour management at DFO.

For the past two years, I have been proposing that there needs to be a strategic five-year investment plan in addition to the existing budget of \$1 billion.

I, along with my colleagues, have heard from industry loud and clear. Users of these facilities are appreciative of the repairs and investments that are being made each year, but they have consistently identified that there is more work that needs to be done that budget allocations won't allow. Much of the marine infrastructure under the responsibility of DFO is decades old. The need for repairs and new investments is beyond the current budget allocations.

Climate change is also bringing more frequent and severe weather events to eastern Canada, which are further impacting our aging infrastructure. I point out that in some cases, with the storm surges that we're seeing, some of our wharves are actually even with the top of the water or the water is covering the top of the wharf. Frankly, much of the existing infrastructure was not originally designed to deal with the current impacts of the more severe storms associated with climate change.

What is needed is a long-term approach that will support strategic planning and engagement with all groups to identify what supports they need in the area of current and future essential infrastructure to continue growing our marine sectors. For example, the average marine economy GDP increased by 25% in eastern Canada and by 45% in P.E.I. from 2014 to 2018.

It is also widely known that over time the needs of our commercial fishers have evolved. The vessels and gear are larger and the value of investments made by fishers have increased to the point where they are not comfortable docking a vessel valued at hundreds of thousands of dollars to a condemned wharf.

● (1120)

Our aquaculture sector has also grown substantially, and these businesses require access from ice-out to ice-in. In some years, they have allowed the boats to stay in year-round.

They can also face challenges and issues of access and space limitations, not to mention access to safe navigation. We do not need to look further than Malpeque harbour, which the chair is very familiar with, for an example that has been well studied for over two decades, and to see how, despite everyone's best efforts, more needs to be done. We can see how climate change is affecting that one harbour.

As we see light at the end of this pandemic, our marine sectors are positioned well to contribute their part in having our economies succeed. Canada has a well-renowned reputation for producing some of the highest-quality seafood protein; however, we cannot grow our exports if we do not have the strategic investments into the essential marine infrastructure that supports our seafood production.

Increased long-term investments into marine infrastructure will support the seafood sectors, which are in alignment with the federal government's discussions around the blue economy strategy. They will position Canada to build on its international reputation of being a net exporter of quality food products. This will also support the marine sectors, which are in alignment with the federal government's commitment to build back better as we move to the recovery phase of this pandemic. We will support job creation and investment in the marine construction and repair sector. We will mitigate and strategically plan for the impacts of climate change, which are resulting in more severe and frequent weather events. We will also ensure more effective, efficient and productive long-term planning and procurement and, last and ultimately, support small rural coastal communities and the small businesses that rise around these communities.

While the proposed increase in the budget of 2021 of \$300 million over the next two years is recognized as a good start, I would like to put forward to the federal government that it has an opportunity with the Department of Fisheries and Oceans and the Canadian Coast Guard to demonstrate its support for the Canadian marine sectors by developing a strategic long-term marine infrastructure investment plan, such as our supporting marine infrastructure plan, which was provided to DFO with the endorsement of all the Atlantic ministers of fisheries and aquaculture.

I would like to thank the House of Commons Standing Committee on Finance for this opportunity to speak today. This is a very important issue to Prince Edward Island and Atlantic Canada.

Thank you very much.

The Chair: Thank you very much for your remarks, Minister Fox, and thanks to all the witnesses.

In the lineup for the first round of questions for six minutes each will be Mr. Fast, Ms. Koutrakis, Mr. Ste-Marie and Mr. Julian.

Ed, you're on.

Hon. Ed Fast (Abbotsford, CPC): Thank you to all of our witnesses.

I want to begin by also expressing my condolences to Ms. MacNaughton for the loss of her husband.

I want to assure you, Kathy, that I believe there is unanimous support here around the table for these EI sickness benefits and the extension of those. In fact, some of us had asked for EI sickness benefits to be extended even longer and had expressed that in the House, so I think you're going to find that this budget and what it contains on that issue will have full support. Although some of us may not be able to support the budget in its entirety because of other reasons, on that one issue I want to assure you that I believe we're all on the same page.

I want to go to Minister Fox for a moment.

You've made it very clear that you're looking for a long-term strategic approach to marine infrastructure so that it can help drive economic growth in your region of the country. By the way, that's not so much different from my neck of the woods. On the west coast, we have our own challenges with respect to our fisheries sector and declining salmon stocks. We're all scrambling in trying to address these very immediate emergent issues that need to be addressed.

You talked about this long-term infrastructure plan. I'd like to know what that would look like, because I believe you've signalled that a plan had been presented to the government some time ago but hasn't been acted on, certainly not in its entirety. Do you want to expand on that a bit more?

● (1125)

Hon. Jamie Fox: Yes. Thank you, Ed.

A couple of years ago, after travelling the province when I first got into this portfolio, I started to hear from the industry directly and to see, for example, the condition of our wharves and harbours across Prince Edward Island. Then we started monthly meetings with the regional ministers. They were having the exact same problem. Our department came up with a supporting marine infrastructure plan and I brought that forward to the other ministers. They supported it, and then we put it into Minister Jordan's office.

Basically, though, if you look at the country, you see that we've had major infrastructure plans when it comes to our water and sewers, our highways, our marine, rail and all that major type of infrastructure, but there has never been an infrastructure plan specifically targeting our marine industry as it applies to our fishery and our aquaculture. That's specifically what we have put forward to the federal government.

Hon. Ed Fast: Okay.

Do you have any idea of the total infrastructure deficit when it comes to small craft harbours in your neck of the woods?

Hon. Jamie Fox: DFO is doing the best they can. The problem is that you have A-base and B-base funding. The A-base funding has never actually increased. Year after year, DFO is consistently allocated the same amount of funds, which they try to spread across the repairs. If I do some rough math and we look at the \$300 million over two years based across the whole country, which has to be spread out, that infrastructure to us would be a \$12 million to \$15 million per year increase of budget on our small craft harbours.

Now let's bring in Malpeque harbour, where we're chewing up around \$1.5 million, if not a little bit more, in the dredging of that harbour alone. That's not looking at the other harbours as well, with the shifting sand. We live basically on sandstone rock. The money is not there. How do we keep this infrastructure in place? You can compare it with other provinces, where you see the infrastructure has been put in place and how old it actually is.

Hon. Ed Fast: My question was really directed toward all of the small craft harbours in Atlantic Canada and the value of the infrastructure deficit and the work that has to be done to bring them up to a current state of repair. Have you ever done an evaluation of what that might look like? That obviously will drive the size of the program you're looking for.

Hon. Jamie Fox: Yes. When we first looked at the program and developed it, and looked at what we were hearing from the other provinces, we were thinking \$750 million over five years. That would be distributed across the maritime region and should bring us up to a level of good repair for the future. Now with the pandemic and the price of infrastructure going forward, we're raising that to somewhere around \$1 billion.

Hon. Ed Fast: That's very helpful.

Talk to me about Malpeque harbour, which would be of great interest to Mr. Easter, and specifically about the deficit you see in that harbour and perhaps the cost of what it would take to address those concerns.

Hon. Jamie Fox: Malpeque harbour is centrally located up in Wayne's area. I'm very familiar with it. It sees basically 44 fishing boats or fishing fleets of lobster going out every day during the season. Probably there are 10 to 15 other aquaculture industry users there.

The problem in Malpeque harbour is shifting sand. In order for DFO to consistently keep that channel and harbour open and deal with the shifting sand, they have to dredge it twice and sometimes three times a year—spring, summer and then fall—to ensure safe passage. As Wayne can attest, they're actually falling behind on that, because you're dealing with sand.

We must make sure that the infrastructure is brought up to date with what climate change is doing. What's affecting Malpeque is climate change.

Hon. Ed Fast: Ms. MacNaughton, perhaps I could go to you for a moment. You've made a very compelling case that EI sickness benefits need to be expanded to address the reality of the challenges faced by people who are really sick. Your husband's case is a perfect example of that.

Would the 26 weeks that the budget proposes fully address the concerns faced by you and your husband in trying to make it through that very difficult time?

• (1130)

Ms. Kathy MacNaughton: No. We need more than 26 weeks. David would still have been alive for two months after if this change had been in there to help us. Twenty-six weeks is a massive improvement, but I think it should be more. I'm hoping that we go one step at a time and that eventually everybody will realize that these sick Canadians need that money.

Hon. Ed Fast: Yes. As long as—

The Chair: We have to end it there.

Hon. Ed Fast: Can I make one last comment?

The Chair: Go ahead.

Hon. Ed Fast: Okay.

I just want to assure you, Ms. MacNaughton, that quite a number of us here on this call actually do support extending it beyond the 26 weeks. We believe there is a big gap there. Hopefully, over time we'll get the consensus in Parliament to be able to do that.

The Chair: Thank you, all.

Just to put your question to Minister Fox in perspective, Ed, a dredge is on site full time now. That's costing \$1 million to \$1.5 million a year. The port has to be moved, and it will cost \$42 million to move that harbour.

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

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

Thank you to all the witnesses for being here this morning with us.

Firstly, Ms. MacNaughton, I can't begin to tell you how your story—yours and your husband's—really touched my heart. My mom went through breast cancer and I was the primary caregiver at the time, through her surgery, her radiation and her chemotherapy. Unfortunately, we lost her just a little over a year ago—strangely enough, not from breast cancer—but I can't even begin to imagine what a family goes through having to also worry about finances. Thank you for feeling safe enough to share your story here with us. I think I can speak for all of us in saying we understand and we're going to keep working hard to make sure that people who need the help through EI sick benefits will get the help.

My questions will be for Mr. Casey.

Mr. Casey, in BIOTECanada's response to budget 2021, you said that biotechnology innovation is "one of the identified key sectors set to drive the economic recovery for Canada." Would you be able to expand a little and explain to this committee why you believe this to be the case?

Mr. Andrew Casey: Yes, definitely.

If you look across the country, it's an industry, as I indicated at the outset, that has clusters in every single province, usually built around universities or research institutes. It builds on the infrastructure we've already put in place and the investments that we've put into our universities.

As for the companies themselves, if you look across the country and take some examples, you have AbCellera, which had a fantastic IPO during the pandemic. You have Notch Therapeutics and Zymeworks, which are Vancouver companies. You have Repare in Montreal and Medicago in Quebec City. These are companies that, with these investments, as their technologies become more proven and get closer to being commercial, will be employing hundreds of people. We're talking about very skilled, highly paid jobs. We're talking about people who are coming out of our universities and colleges, technical colleges, with very significant skill sets—Ph.D.s in science. We've put all those investments into the STEM programs, and this is going to be the receptor capacity for those people.

When we talk about some of the jobs, we're talking about millions of dollars that are going into these companies. The technologies they're working on will eventually create large-scale companies. We'd like to create anchor companies in Canada where we have companies here in this country that are globally competitive.

You can take as an example RIM BlackBerry and look what that did for the Kitchener-Waterloo area. If you create some anchor companies in the space, the spinoffs and further investments will lead to a sort of fantastic cycle that just attracts more investment, attracts more people and grows.

The enormous potential the sector presents is just fantastic. Even during the pandemic, when times were tough, investment kept flowing and the companies kept growing.

• (1135)

Ms. Annie Koutrakis: You also said in your testimony earlier that although the budget is friendly to the biotech industry, there are some gaps. Would you be able to elaborate a bit more on where the gaps are and what the federal government can do better?

Mr. Andrew Casey: The gaps we've seen.... The budget goes a long way to identifying those and starting to address them as well. Some of the primary gaps are always going to be the same for the sector, and there are two main ones.

One is investment capital and access to investment. It's very expensive to take an idea and commercialize it. In the case of health, vaccines and other therapeutics, you have to go through clinical trials, so you're talking anywhere from a billion dollars and 10 to 15 years in time. You require very specific types of investors: patient investors with great, deep knowledge. You need a lot of capital. If we look at some of the investments in these companies, we're talking about, say, an initial series A round of \$85 million into Notch

Therapeutics in Vancouver, just as an example. That's an early-stage company and it's getting \$85 million.

Venture capital sort of moves around the world like a tourist. It looks for places to stay that it finds to be most attractive and the safest places to go, so we have to behave like a hotel would to attract tourists. You put chocolates on the pillows of your hotel, provide free Wi-Fi and breakfast, or whatever it is. Whatever we do as a country, if we're going to think of ourselves as a hotel, what is the chocolate on the pillow that we have to put out there to attract investors?

That's where you get into tax policy. That's where you get into IP issues. You have to have a jurisdiction that, from a regulatory standpoint, is welcoming to investors but also provides the opportunity for companies to grow. That's a huge part. Government obviously provides the hosting conditions.

The same goes for talent. Talent is roaming around the world, including our own very skilled Canadians who are going to go to places where the jobs are, so we have to make sure we are attracting as much talent as possible to allow these companies....

Those would be the two key areas, and I think the investments in the budget go a long way to addressing some of those and making us a more attractive jurisdiction from that standpoint.

The Chair: This is your last question, Annie.

Ms. Annie Koutrakis: Thank you.

We hear a lot about climate change and the environment. It of course is very important and is something that we really need to be putting a lot of effort and attention into. What role, in your opinion, can the biotech industry play in the fight against climate change?

Mr. Andrew Casey: Again, it's another really important area.

If you look at our membership, you see that we have industrial, environmental and agricultural biotech companies in our membership as well, and they're really providing solutions that address some of those exact challenges that you're talking about. We have a global population that's going to be going to eight billion, nine billion or 10 billion, depending on which projection you look at. It's putting enormous pressure on the planet.

We have to fundamentally change the way we live our lives, the way we grow and the way we manufacture, and biotechnology allows for that. We have companies that are doing environmental remediation; they're allowing other companies to adjust. You have car parts being made of soy products; that's the result of biotechnology. There are all sorts of fantastic solutions coming out of the Canadian biotech sector that are addressing those challenges.

In doing that, you have an enormous economic opportunity if you can be there first, but of course other jurisdictions recognize the economic importance of getting there, so we're competing with other countries to keep those companies but also attract the investment and the talent. The challenge is the exact same in that space as well.

Ms. Annie Koutrakis: Thank you.

The Chair: Thanks to all of you.

We are turning to Mr. Ste-Marie, who will be followed by Mr. Julian.

Go ahead, Gabriel.

[*Translation*]

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

Honourable Minister Fox, Ms. MacNaughton and Mr. Casey, good morning and thank you for joining us today. Thank you for your presentations as well.

Ms. MacNaughton, I too would like to express my deepest sympathies. Thank you for joining us today and for your very moving testimony.

As my colleague Ed Fast said, the committee is unanimously in favour of this measure. My party has actually put forward a motion in the House to increase the duration of sick leave to 50 weeks in order to properly cover all those battling all forms of cancer.

So we will continue to take the necessary steps to extend EI sick leave to 50 weeks to provide better coverage. You can count on us.

My first question is for the Honourable Minister Fox.

Minister Fox, could you comment on the situation at the port of Cap-aux-Meules, in the Îles-de-la-Madeleine? We know that the port had to close 37% of its capacity because of the deterioration of its infrastructure. The people of Cap-aux-Meules are particularly critical of the lack of plans to repair the wharf.

Are you also experiencing this type of situation in Prince Edward Island? What should the federal government do about it?

• (1140)

[*English*]

Hon. Jamie Fox: Thank you very much, Gabriel.

I only caught part of the question because I had to switch over for the translator.

It's the same type of problem that we're seeing over in our area too. I think that a long-term approach recognizing the age of our infrastructure is needed moving forward. Any money the federal government puts into the budget must be in comparison with the age of the infrastructure we're dealing with, if that answers the question....

[*Translation*]

Mr. Gabriel Ste-Marie: Yes, that answers my question. Thank you very much.

My next question is more general in nature.

What is your government's position on health care funding from Ottawa? In your opinion, is the federal government doing enough right now and is the current budget sufficient?

[*English*]

Hon. Jamie Fox: Thank you very much, Gabriel.

I wouldn't really be prepared to speak on that today. I think that would be best put forth to the health minister for the province. He would be the best person to deal with that. It wouldn't be fair for me to answer on behalf of the province or the premier's office on that matter today.

[*Translation*]

Mr. Gabriel Ste-Marie: Okay.

From what I understand, there is a consensus among all the provincial governments to ask Ottawa to fund 35% instead of 22% of health care costs. The Prime Minister stated that he is open to the idea of talking to his counterparts, but only after the pandemic. From our perspective, the sooner the better, given that we are currently in a health crisis.

Thank you for your response. Would you like to add a comment?

[*English*]

Hon. Jamie Fox: No. That's fine.

[*Translation*]

Mr. Gabriel Ste-Marie: Very well.

My next question is for Mr. Casey.

Mr. Casey, thank you for your presentation.

Given the current pandemic, do you feel it is important for Canada to redeploy vaccine production capacity?

[*English*]

Mr. Andrew Casey: There are a couple of parts to this answer. We have significant capacity in Canada to manufacture vaccines. There was a bit of a misunderstanding early on. We did not have the capacity to manufacture mRNA vaccines. Those were the first ones that came out, and that's a new technology. We did not have the capacity to manufacture those particular types of vaccines. The GSK plant in Quebec City and the Sanofi plant in Toronto both use traditional protein-based vaccines. You can't interchange them. They're two completely different technologies.

The Medicago facility in Quebec City uses a plant-based technology for vaccines. They're in phase two clinical trials right now. It looks very promising. They released their data earlier this week. It looks very good that they will have a COVID-19 vaccine probably later this summer or early fall, which is very encouraging news. They have a significant facility that the Government of Quebec and the federal government have invested in. That will be coming on-line as well this fall.

We still need to develop more. There will be COVID-32 and COVID-40 or whatever it is, and we have to prepare for that. I think what we need to do now is figure out where we need to fill gaps in the biomanufacturing capacity and look at different ways to do that so that we are ready for the next one.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you for your answer.

This is encouraging news. I can tell you that a member of my team is in the group of participants in the clinical trial for the Medicago vaccine. We hope that it will be available as soon as possible. It's certainly a source of pride for us.

Mr. Casey, if we look at the pharmaceutical industry in Quebec, not just the biotech industry, in the 1990s, there was a great synergy between Quebec and Ottawa policies, which really helped attract international players and develop expertise and talent.

Unfortunately, Ottawa gradually abandoned the measures to support the industry, and the five giants of the industry left Canada.

As you said, there are some appealing measures in the budget. In your opinion, should the federal government do more to rebuild an environment that will attract such players and redeploy all the expertise in Quebec and Canada?

• (1145)

[*English*]

Mr. Andrew Casey: That's a very important question. I think what also happened a decade or so ago was that the industry itself changed. They changed the way they developed drugs. It used to be that a Pfizer or GlaxoSmithKline or Merck or whatever it was would do everything in-house for itself. Now what happens is that they do some research and development internally, but mostly they go out to hunt and gather. They go and find companies elsewhere.

I'll use a really great example, given the COVID-19 situation. The vaccine that Pfizer has is a combination from a number of different companies. One is BioNTech out of Germany. The other part of the Pfizer vaccine that very few people know about is a company called Acuitas, which is a small Canadian biotech company in Vancouver. They develop the lipid envelope the mRNA code goes into and then goes into the body. Without the Acuitas technology, the Pfizer vaccine doesn't really work.

This is the new type of drug development that's taking place. We have to develop all these early-stage companies that then go into the bigger technologies. They will either be bought by the large pharmaceutical companies or they'll be large commercial companies themselves, depending on the type of technology they're developing. What we need to do is develop a new relationship with the large multinational companies, the early-stage companies and the government that recognizes this new approach to developing drugs. That requires everybody to come together and I think create a different pathway for regulatory approval but also for reimbursement in listings.

It's a very complex area to get into in this committee. I do think we need a recognition that this part of the world has changed. If we want to attract more manufacturing and more investment here, a new relationship is required from that standpoint.

It's a great question. Thank you.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you. That is very interesting.

[*English*]

The Chair: We were considerably over, but we needed to hear the full answer. Thank you.

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

Mr. Julian, you have about six minutes.

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

I should signal that after my questioning of the witnesses I'm going to have to step out for a few minutes. My second round of two and a half minutes could go to Mr. Ste-Marie or Ms. May.

I'd like to thank all of our witnesses for coming forward. It was very interesting testimony, of course. We hope that you and your families are staying safe and healthy during this pandemic.

I'd like to start with you, Ms. MacNaughton.

Thank you so much for sharing your story and David's story with us. It certainly resonates. There is no doubt, as you've heard from a number of members of the committee, that your story is heartfelt, and I think we all understand the importance of that.

You have talked about the 26 weeks, and you've said that we should go beyond that. There will be an amendment coming up next week to this budget implementation act that would actually take the sickness leave to one year, a full year of supports for Canadians who are experiencing what you and David experienced.

How would you feel about having sick leave extended to a full year? We certainly have the resources in our country to provide those supports for a full year of EI sick leave. Would you support that measure?

Ms. Kathy MacNaughton: Definitely. When I first started David's Cause, I wanted 52 weeks, but I just thought I was asking for the stars. Sean and I worked with this and came up with the 26 weeks.

It was a good start. I didn't want it to finish there, but it was a good start. In the future, it will give people that much more support, but you can't put a time limit on this, because each individual is different. If David would have lived, it would have been three years, and we wouldn't have had financial help for three years. Definitely, 52 weeks I think would be much better than 26, but 26 is a great start.

Mr. Peter Julian: Thank you so much for that.

Definitely, in a country where we're able to provide \$750 billion in liquidity supports for Canada's big banks, we can afford to provide supports for a year or longer. Thank you very much for your response to my question.

I'd like to go to Minister Fox next.

You've laid out very eloquently the case of underfunding in terms of maintenance of harbours. One real challenge that we're experiencing in British Columbia is that of DFO not removing derelict vessels. In many harbour areas, we see vessels that have been abandoned. It has been quite an effort to get the federal department to actually step up and remove those vessels.

Is that a problem in Prince Edward Island? Did you see it as a problem nationally that Fisheries and Oceans isn't stepping up to remove derelict vessels, whether they're abandoned by companies or by individuals?

• (1150)

Hon. Jamie Fox: That's a very good question. The example I would use would be the old HMCS *Cormorant*, which was decommissioned from the Canadian navy and then sat derelict in Nova Scotia for many years. When we have a piece of infrastructure like that sitting there and basically rotting away at our wharves and our harbours, it's affecting our ecosystem, our aquaculture and the actual environment around it.

We need to ensure that there are laws, measures in place, to get those derelict vessels out of the water and decommissioned completely so that they are not contaminating our environment, because if we are contaminating our environment, whether it be on the west coast or the east coast, there is an effect on the ecosystem and the fish species.

Mr. Peter Julian: Thank you very much for that.

I'd like to go to Mr. Casey now.

Mr. Casey, there has been a lot of discussion about the role of the public sector in the development of vaccines and medication. We have had the National Research Council, of course, and they will be providing more research. Many people talk about Connaught Laboratories, which was publicly owned until it was sold out by a previous government.

Many people want to rebuild the publicly owned infrastructure. When we think of insulin, it's a Canadian invention in the public domain, and every Canadian is proud of that history. What role does the public sector play in preparing us for what is inevitably, sadly, the next pandemic? To what extent do you believe we should be making those investments for publicly owned and publicly mandated research?

Mr. Andrew Casey: I think that's a really important question. Let's hope there is not another pandemic, but I think it would be foolish not to prepare for it. I think the government is recognizing that and putting some different investments there.

The insulin example is a good one, reflecting back to my opening comments, in that the 100th anniversary of the discovery of insulin is now being celebrated. It is now the bedrock of a company called Novo Nordisk, which is based in Denmark. I would argue that if we do everything correctly here in Canada, whatever today's insulin is should be the "Canadadisk" or whatever. We should have that anchor company. That should be a large multinational company that's based here. I think we need to do that right.

The investments in some of the public programs, like the NRC's industrial research assistance program, or IRAP, are absolutely critical to a lot of the early-stage companies. Most of our early-stage companies point to IRAP, SR&ED.... All of those sorts of investments through programming are absolutely critical to their early-stage development. A number of companies today would point back to their history and say that this was critical in their development.

I think the one important thing to remember though, in terms of investing for facilities going forward for a future pandemic, is that in between crises they have to be active. You cannot mothball them, put paper on the windows, plastic on the doors, turn the lights out and then only come back for the next crisis. You have to think of it like an Olympic athlete. They don't sit on the couch drinking beer and eating chips in between the Olympics. They train. You have to do the same thing with our infrastructure.

If we're going to invest in infrastructure, it needs to be commercial. It can support the ecosystem. It can support research and development, early-stage companies, and be commercial at the same time. When the next crisis comes, it's up to code, it has the right people in the facility and it's ready to go. I think that's an absolutely critical part of what we're going to do if we're going to develop biomanufacturing capacity in this country.

The Chair: Thank you very much.

We'll go to a five-minute round with Mr. Falk, followed by Mr. Fraser.

Ted.

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

Thank you to all the witnesses for being here and for their testimony this morning.

Ms. MacNaughton, I, too, want to extend my sympathies to you on the passing of your husband, David, and for the pain and anxiety that you had to endure.

Yesterday at committee, the Canadian Cancer Society was here. They told us that just from smoking, 48,000 die from cancer annually. We know there are many other types of cancer, as in David's case, which was esophagus cancer. You should note that your testimony today is very valuable. You are advocating for tens of thousands of people who find themselves in a similar situation to you and David. Your testimony is important and I want to thank you for it. It's not being lost on this committee.

Thank you for being here.

Minister Fox, it's also very nice to have you here this morning. I'll just throw open a question that you could comment on.

When you look at this budget implementation act that we're studying here today, does it meet the immediate and urgent needs of P.E.I. for the fisheries, from your perspective?

• (1155)

Hon. Jamie Fox: It's a start, Ted. It's a start to recognize that we need more in DFO when it comes to fisheries.

I can take you to various harbours across Prince Edward Island. If you were to give me \$15 million today based on that \$300 million, I could use that \$15 million basically overnight on harbours that need to be repaired immediately, like Rustico, for example. It wouldn't even address the issue in Malpeque and the immediate need for a long-term solution for that harboured wharf.

It's a good start, but we need to look at a long-term infrastructure plan as it pertains to wharves and harbours across Atlantic Canada. I would even add in British Columbia.

Mr. Ted Falk: How about protecting and growing your fishing inventory, your raw goods, so to speak?

Hon. Jamie Fox: We work very closely with the AFF funding. I've had a conversation with Minister Jordan on that. I suggested to her last year that I would rather see us start the AFF funding phase two sooner than later. We only have two years left on AFF, so we need to recognize that.

In P.E.I., our industry is growing when it comes to lobster and aquaculture. There is room to grow. We must make sure we have the supports in there to help these industries grow as the demand increases with the need for protein.

Mr. Ted Falk: Thank you.

Mr. Casey, I'd like to ask you a few questions as well.

Your association has over 200 members. Are most, or all, of the pharmaceuticals part of your association?

Mr. Andrew Casey: Are you talking about the large multinational companies?

Mr. Ted Falk: That's correct.

Mr. Andrew Casey: Yes, most of them are.

Mr. Ted Falk: You indicated earlier in your testimony that the industry here in Canada has capacity and had capacity to meet demands that were there to produce vaccines, with the exception of the mRNA technology. You said we did not have that capacity.

Was your association approached by the government for help?

Mr. Andrew Casey: Yes, in the sense that.... I think what the government did was really smart.

In the early days, if you recall, as I said in my opening remarks, it was seen to be that vaccines would be three to five years away based on the Ebola experience. We sort of knew that was going to be the most optimistic outlook. The more realistic possibility was therapeutics that would alleviate the symptoms and stop people from dying, so a lot of interest was in that area.

I think what the government did was really smart, which was set up two task forces. One was for vaccines and one for therapeutics. They tapped into our industry for advice. There were others from around academics and the medical community as well, but a number of key people from our community were on those task forces to help advise the government in terms of making those decisions.

Mr. Ted Falk: I have one follow-up question, and then I think I'm going to be out of time.

You made a comment as well that the two technologies, mRNA and protein technologies, are not interchangeable. There's been

some discussion about taking one vaccine from one technology and then taking a follow-up vaccine from a different technology.

Can you comment briefly on that? You said that they were not compatible, not interchangeable. Did I misunderstand something?

Mr. Andrew Casey: That's from a manufacturing standpoint. It would be like champagne and 7 Up being clear liquids that are bubbly. You put them in bottles and you drink them out of glasses. That's where the similarity ends. You cannot ask Moët to make 7 Up, and you can't ask 7 Up to make Moët. The manufacturing technology is completely different.

As for the administration of the vaccines, I will not answer that question. That I will leave to the experts, Health Canada and the physicians who provide that advice. I cannot provide that.

Mr. Ted Falk: Okay. I thought maybe you would know that.

Mr. Andrew Casey: I know it just in manufacturing.

Mr. Ted Falk: Thank you, Mr. Chair.

The Chair: You're welcome.

We'll turn to Mr. Fraser, who will be followed by Mr. Ste-Marie.

Go ahead, Sean.

Mr. Sean Fraser (Central Nova, Lib.): Thanks so much, Chair.

My first question will be for Ms. MacNaughton.

Kathy, it's wonderful to see you here. Thank you so much for giving your heart-wrenching testimony. It serves as a reminder that there's a human impact behind all the policies that we get to debate in Parliament, and I think we would all do well to remember your testimony when we think about various issues that come across our plate in our day-to-day work.

One of the things that I think is important.... Look, you've told your story better than I ever could, and I thank you for letting me be part of it. I think you were very generous in your comments, but to the extent any credit is owed here, it's squarely on you. One of the things I've been blown away with from the time that I met you was your persistence on this issue and the fact that you described yourself as an ordinary woman from Westville who has helped make this change.

For those who might be tuning in today, Kathy showed up with a shirt that read, "Ask me about David's Cause" at an event we hosted when the Prime Minister was visiting. When she heard that Minister Duclos, who was previously responsible for the EI file, was coming to the town of Antigonish, she drove down the highway so she could get a chance to make her case there. She met with our former colleague, Mark Eyking, who's been alive to this issue for a number of years and, more recently, she connected with the Canadian Cancer Society, which was working simultaneously on this issue and started using the language of David's Cause in their communications.

Kathy, this is a remarkable example of an individual launching an advocacy campaign that really caught on, and I think you can take some faith from my opposition colleagues today that there is cross-partisan support for this initiative, which is absolutely terrific.

Can you share a message with Canadians who might be tuned in about the importance of advocating for a cause you believe in, though you may just be an ordinary woman from Westville?

• (1200)

Ms. Kathy MacNaughton: This cause was very dear to me. To watch David suffer physically and mentally over the financing... I just want to tell every Canadian that, if you believe in yourself and you believe in your cause, you can move mountains. I'm proof of it. I moved a mountain, and so many people are going to benefit from this. My David's story was part of this that made this change, and you just have to keep fighting until somebody hears you.

Mr. Sean Fraser: I can tell you that thousands upon thousands of people have heard you. I had the chance to take part in a debate, which I believe also had cross-partisan support, in the last Parliament on this issue. When I shared a video that referred to your story, I got messages from hundreds of people across Canada who said, "I thought you were talking about my family, and I want you to pass on my gratitude to Kathy for helping make this change a reality." You've done a heck of a lot of good, and I look forward to seeing this extension be part of Canadian law.

My next question is for Mr. Casey.

You described, very interestingly, a hotel-type analogy of placing a chocolate on a pillow. There's something fascinating that I'm hearing across different sectors more recently. Despite the immense challenges that COVID has put on our economy, there are still significant sectors that are worried about labour shortages. There are some that have been hammered hard, but particularly when you're looking for very specific talent, it can be hard to come by.

In your sector, I wonder if you have advice for us. When it comes to attracting talent to a province such as Nova Scotia or a country such as Canada, what conditions do we need to create for the world's brightest minds to choose our communities as a place to live and work?

Mr. Andrew Casey: It's really important, just as important as investment. The talent piece is absolutely critical. We have to be competitive, because talent, as I said earlier, is also very mobile. It's moving around.

The problem we have is unlike mining, oil and gas, and forest products, which also have to attract talent and investment. If they don't do so, you can't take a mine, pack it up and move it somewhere else.

Our industry, essentially, is just good ideas. They're on computers or laptops, and if we don't attract the investment and the talent to Canada, the good idea will go elsewhere. It will be commercialized elsewhere and all the economic benefits that come from that commercialization will benefit wherever they go. Thus, we have to be as competitive as possible.

Right now it doesn't seem like it's an acute problem in terms of attracting talent. We have a fantastic pool coming out of our univer-

sities and colleges. It seems that the companies are able to fulfill their roles. If you look at Zymeworks, AbCellera and Repare, they're all growing in leaps and bounds and they seem to be able to find the people.

I do think, though, as we get bigger and as the economy opens up and the talent starts to flow again, that's when we'll have to get concerned and make sure that we're as attractive as possible.

I'm working with a number of our companies that are really growing quite quickly, to identify the areas we can improve, such as immigration policy, recognizing that usually when you're attracting one person from another country, they have a spouse who is equally skilled and talented, and you have to bring both. How can we facilitate that? Are there tax incentives or breaks that we can provide? There are all sorts of different options. We have to look at other jurisdictions to understand what they're doing, and maybe stay as competitive as possible with those jurisdictions and mimic what they're doing.

• (1205)

The Chair: Thank you.

Mr. Sean Fraser: Mr. Chair, do I have any additional time?

The Chair: No, you were over time.

Mr. Sean Fraser: Thanks again.

The Chair: We have enough time for five members to take five minutes each. We'll start with Mr. Ste-Marie, and then go to Ms. Jansen, Mr. Fragiskatos, Mr. Barrett and Ms. Dzerowicz.

Gabriel.

[*Translation*]

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

Mr. Casey, thank you for describing the ecosystem in your field so well.

The field has a lot of small businesses, some of them start-ups. Is there anything the government can do to take them to another level, so that when they make a discovery or have an innovative idea, they don't sell it to a big player?

Would it be worthwhile to allow them to continue to grow and become stronger?

[*English*]

Mr. Andrew Casey: It is definitely a key objective that we have to strive for.

We have to create anchor companies. We've been very good as a country at creating a lot of early-stage companies, and as you indicated in your question, many of them are sold off. They go to the large multinational companies.

Part of that is an absolute business strategy that is a reality. You have a small product, one single drug. You recognize that you want to sell it to the world. You need the infrastructure that the large companies provide. You're never going to become a big pharma company overnight, so you will pursue that path.

For others that have platform-like technologies or manufacturing capacity, like Medicago, AbCellera or Repare, they are more likely to be able to stay here in Canada and grow. If we want to get to that, we have to figure out where the gaps are. Some of that is investment capital. It's the talent piece, but there are also some other tax incentives. There are things like patent boxes, which are being used in other jurisdictions, that allow companies to earn money from their innovation but not be taxed at a high rate until they become a commercially profitable company.

Incentives such as that, tax measures such as that, would be really important to keeping some of those companies here.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you.

Is there anything else you would like to add in support of the biotechnology industry?

[*English*]

Mr. Andrew Casey: As I indicated, in the budget, there is \$2.5 billion—almost \$3 billion—in investments flowing to the sector. I think the dedicated life sciences fund is really important. It's not a large amount of money. I think we need to make that happen, make it work, see the investments flow and then grow that. It should be bigger.

I think that's probably the biggest gap right now: venture capital. There is \$60 billion in venture capital flowing to the biotech sector around the world. We need to actually access as much of that as possible to stay competitive, so anything we can do to get that I think would be really important.

[*Translation*]

Mr. Gabriel Ste-Marie: The message has been heard, and it is very clear. We hope that this will be reflected in future budgets and in the government's measures.

Thank you very much.

Mr. Chair, I have no more questions.

[*English*]

The Chair: Thank you, Gabriel.

I will just emphasize one point that Mr. Casey made and which I think is critical, because we've run into it several times in my office, and it is that in bringing in skilled workers from outside Canada not enough attention is being paid to the partner of the person who is coming in. We look at that individual's skills and we have been successful in some cases and not in others. You do need to find an opportunity for the spouse or the family so that the individual is comfortable with coming here and working. I think that was the point you really made, Mr. Casey.

Mr. Andrew Casey: That's exactly right, and particularly in our space, where you're bringing in a chief scientific officer. They are

always married to somebody equally skilled, so finding jobs for those people would be absolutely critical. I think it would obviously benefit the economy more broadly.

The Chair: Thank you.

We will turn to Ms. Jansen.

You have five minutes, Tamara, and then Mr. Fragiskatos is after that.

Go ahead, Ms. Jansen.

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

My questions will be for Mr. Fox.

I am an MP from British Columbia and am very close to the ocean here, so fisheries are a really important issue for me as well. I have questions for you.

The federal government's failure to effectively inventory small craft harbours and their state of repair or disrepair in your area there has resulted in the reactive, ad hoc and emergency approach to maintenance, rather than a proactive and planned approach to sustaining harbours. What wharves and harbours are in the greatest need on the island?

• (1210)

Hon. Jamie Fox: That's a good question.

I would have to say that it's different. If you look at actual structural sounding, I would say that Rustico would be at the top of the list. If you're talking dredging and the need for a new harbour or a long-term solution, you're talking Malpeque. You also can go down to North Lake at the far end of the island and look at Georgetown in North Lake. There are two wharves down there that are very aging infrastructure and need to be enhanced.

Minister MacAulay and I have talked about Georgetown before. He supports this project. I had a good meeting with Lawrence about two weeks ago. What we need to do is take an in-depth capacity look at our wharves and harbours going forward and get a real sense of where they actually fall in the condition of priorities.

Mrs. Tamara Jansen: Okay.

There seems to be a sense at the wharves that it takes someone being hurt to force the government's hand and get them moving on long-overdue repairs. Would you agree?

Hon. Jamie Fox: I would agree. I hate to say that, but I would agree.

My background is in law enforcement and emergency services for 25 years, and I have dealt with that first-hand. Sometimes measures aren't put in place or infrastructure isn't corrected until somebody has come into harm's way.

Mrs. Tamara Jansen: Fishers out of Malpeque harbour are at an almost constant risk of running to ground and swamping. I think Mr. Easter will agree that the government has been kicking the can down the road on a solution to this issue. What permanent solution do you see for Malpeque?

Hon. Jamie Fox: It is something that has been kicked down the road for roughly 20 years. Wayne has been a good advocate for this. I think we need to look at either repositioning the channel out through the dunes, working with the department, the environment groups, and actually putting a straight entrance out while being sensitive to the actual environment there, or we need to establish a brand new wharf off Cabot Park.

I can tell you that the province has had those conversations with DFO. We are prepared to make a long-term commitment as per infrastructure, road and the land off Cabot Beach Provincial Park going forward, but we need a solution now. When you look at the amount of money we've spent in dredging over the last 20 years, we're averaging roughly \$1 million to \$1.5 million a year, and we're doing that consistently every year.

Mrs. Tamara Jansen: With two examples on opposite sides of the island—Victoria, which was dredged last summer, and Malpeque, which needs to be dredged every year—how does the island's geological makeup with the sandstone base make the need for a proactive approach to dredging even greater?

Hon. Jamie Fox: Victoria is a high priority. I'm very familiar with that as it's in my riding. It was dredged last year. You have to look at the island and the way the sand shifts. On the north side of Malpeque, of course, it's more volatile than on the south side. We need to have a geographical approach and look at how sand actually moves across the island. One thing I've suggested is to do a sand study on how sand is shifting.

Mrs. Tamara Jansen: Would you say that the federal government has recognized the recommendation in the February 2019 report titled “Ensuring the Sustainability of the Small Craft Harbours Program”?

Hon. Jamie Fox: I would say that regionally they have, but not in Ottawa. The region realizes how that's an important study, I believe, but I don't think it's made its way up to Ottawa to the people that should be hearing it.

Mrs. Tamara Jansen: Thank you.

Do I have any time left, Mr. Easter?

The Chair: You have a minute.

Part of the problem in Ottawa at 200 Kent Street is that there are not a lot of fish in the Rideau Canal.

Go ahead, Tamara.

Mrs. Tamara Jansen: I'm going to switch to Mr. Casey.

We were looking at the amendment that the National Research Council is putting into this budget in regard to production. Have you seen that yet?

Mr. Andrew Casey: I haven't seen the amendment, but I'm familiar with their facility and what they're trying to do.

Mrs. Tamara Jansen: I'm wondering why you think the cap was there in the first place. Are we not concerned that they're going to be competing with private companies when it comes to production?

Mr. Andrew Casey: What is the cap that you're referring to? Is it the production cap?

Mrs. Tamara Jansen: There's a cap on how much they can produce. I don't remember the exact wording.

• (1215)

Mr. Andrew Casey: I would suspect that cap is based on their capacity rather than the competition. No, I don't think that the global industry is fearful the NRC is going to move them out of the space.

I think the investments in the NRC facility are absolutely fundamental because that's a good example, as I said earlier, of a way of creating capacity to address the next challenge. Also, in between, it would really support the growth of companies in innovation, science and research in this country. I think what that investment represents is really important.

The Chair: Thank you.

I'm sorry, Tamara. We are over by a minute.

Mr. Fragiskatos is next. I'm not sure whether Mr. Barrett is still here or whether Mr. Kelly is going. Somebody give me a signal.

Mr. Fragiskatos.

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

Ms. MacNaughton, every colleague has acknowledged your efforts. Let me just echo what they have said. It's really moving to be here today to have the privilege to listen to you articulate what you have done. It is a clear example of what constituents can do when they work with their member of Parliament to create meaningful change. Thank you very much for all your efforts.

Mr. Chair, small craft harbours have been mentioned. The infrastructure gap has been mentioned. I don't have a question for Mr. Fox, but it is for my Conservative colleagues. I think they would be wise if they looked at the record of the previous government from 2006 to 2015 if they want to understand the root causes of any infrastructure gap that could exist on small craft harbours. That's just a point of clarification and advice and help for my Conservative colleagues who were asking about that today.

Mr. Casey, it's really interesting testimony. Thank you very much for appearing. I heard you on a podcast recently as well. I know you're quite active in this space and I hope it continues. I think that Canada is well suited and this government is only going to benefit when we have people like you sharing advice on what we need to do in this country.

There was an op-ed written very recently in The Globe and Mail by Chris Albinson, the incoming CEO of Communtech in Waterloo. Let me just read a couple of excerpts from it to get your thoughts. There were some things in it that really surprised me. I knew that we were doing well in Canada as far as tech was concerned, but we are very well positioned in this country, as the op-ed articulates.

He said the following:

In terms of return on invested capital, Canada is now the third-most productive tech ecosystem on the planet after Silicon Valley and China, and is closing the gap as those two rivals turn inward and stagnate.

The other thing that stood out was this quote:

When you throw in our strong advantage in the next wave of technology (think artificial intelligence, machine learning, quantum computing, 5G, medtech, advanced manufacturing), our relative cost advantage, and parity in access to markets and capital, it's easy to see why Canada is poised to dominate.

He uses the word “dominate” there—not just “do well” but really dominate the global landscape.

Do you agree with this perspective? Could you expand on anything that stands out to you from what I just read? Is there anything there that you think we would benefit from, as a committee, by exploring more?

Mr. Andrew Casey: There's no question. The other tech sectors I can't speak to, but certainly in the biotech sector it's the same landscape. We have everything we need. We have fantastic science, fantastic research and great universities. We're developing phenomenal companies, but as I said earlier, all of these are inherently mobile. They can go wherever they need to go to commercialize. It's very easy for them to pack up and move. Little things like tax incentives in Texas, or wherever it would be, would be able to attract them down there. We have to keep the pedal to the metal, or whatever analogy you want to use for this, if we're going to stay competitive and keep those companies here.

However, there's no question that we are punching well above our weight, certainly in the creation of companies and the growth of companies. Where we are falling behind is in creating those anchor companies, where we take them across the finish line. That is a key objective. Because once we get there, as you would know from your area in southwestern Ontario, that's the thing. You create hubs and then more come and it just becomes a self-fulfilling prophecy. If you look at Cambridge in Boston, there's a classic example where they built it there around the universities. It's a thriving hub and that's what we need to do in Canada.

Mr. Peter Fragiskatos: My time is very limited, sir.

On the last point here, certainly the op-ed focused on tech in general. I know your area of expertise is biotech, but I think there's a great deal of overlap.

You, I think in a response to Ms. Koutrakis, talked about IP and tax policy, and you've mentioned tax incentives here again. Could you delve into that a bit more? I know it's unfair because those are big areas and I'm not giving you much time, but it seems that those would be maybe the two key areas, if I've understood you right, we can focus on and really benefit from if we make some changes in those areas.

• (1220)

Mr. Andrew Casey: Yes, but also be careful. If you look at the TRIPS waiver, which has been in the news lately, there's a classic example of something that feels good, that feels like it's going to address a problem but I would argue that it won't. The reality is that's a really significant threat to a lot of our companies because it's essentially sending out the message that, look, if whatever you're working on becomes so valuable to the world that we all need it, we're just going to take it from you. That then becomes a disincentive to investors, so we have to be very careful about how we look at the treatment of IP. IP, at its very core, is essentially the asset. It's the mine. It's the forest. It's whatever other industry you want to use as an analogy. IP is the core of that company, so we

have to really be careful of how we treat intellectual property in this country.

With tax incentives, finding different ways to commercialize.... The patent box would be good. The SR and ED tax credit is one of the best tools that we have in this country, but other countries are looking at it and going, “Hey, we can do better”. If you look at Australia, they're trying to get ahead of us. We have to keep it as competitive as possible with other jurisdictions so that they don't get ahead of us.

The Chair: Thank you, both.

We'll split the last eight minutes, with four minutes for the official opposition and four minutes for the government.

Who wants to take it?

Mr. Fast, I see you want to go. Go ahead.

Hon. Ed Fast: First, this is just a point of order, Mr. Chair. Mr. Fragiskatos quoted a number of individuals. I'm assuming he was quoting from a document or documents. Normally if that happens, we would ask that member to table those documents. Would that be appropriate in this case?

Mr. Peter Fragiskatos: Mr. Chair, if I could, on that point of order, the document is an op-ed from The Globe and Mail. I know Mr. Fast reads The Globe and Mail, and I'm sure he reads the National Post and—

The Chair: We're not going to get into a long debate here, guys.

Mr. Peter Fragiskatos: —and his colleagues will read Rebel News, but I'm glad to provide the clerk any link to the op-ed that I read from. That's not a problem.

The Chair: If you can provide the clerk to the link, that's great.

Mr. Fast.

Hon. Ed Fast: Sure. Mr. Fragiskatos shouldn't presume that I read The Globe and Mail.

Mr. Peter Fragiskatos: Oh, I apologize.

The Chair: Be nice. We have witnesses.

Hon. Ed Fast: I don't know on what basis he would make that assertion.

The Chair: We have witnesses here. Let's get to the witnesses.

Hon. Ed Fast: Thank you, Mr. Chair.

I want to ask a question of Mr. Casey.

You've come across as a bit of a cheerleader for the government on its innovation policy, but you also mentioned RIM and we just happen to have had Jim Balsillie here yesterday, who had quite a different perspective on the state of how we approach innovation in Canada. He was talking about innovation writ large, and you're focused on biotech.

However, he did mention the dramatic shift that has happened from a tangibles economy to the intangibles economy, which you just touched upon, and I was waiting for you to touch upon that. I'm going to ask you to expand on that a bit and also to comment specifically on the absence of patent box legislation in Canada. By the way, I've also met with AbCellera representatives. They highlighted the fact that they're being encouraged to move out of Canada because we don't foster an environment in Canada that would keep our start-ups in Canada. Our commercialization is appalling.

Therefore, could you comment broadly on how we address the issue of a new economy and how we specifically implement policies that are going to keep our start-ups in Canada?

Mr. Andrew Casey: That has to be at least a significant objective, because we put in all those investment dollars and we use tax credits and all, which are basically funded by the taxpayers. You create this fantastic collection of companies, and then if you allow them all to go, we miss out on the real commercial benefits of having those companies grow and become large commercial companies.

My reference to RIM really was more about what it did for the local community in southwestern Ontario, in that once it was up and at its peak, it just created more entrepreneurs, more investment and became a self-fulfilling prophecy.

Just on the patent box, to talk about that at bit, that's an ability to take your IP and earn some dollars off it while you're not yet commercial and to have those dollars taxed at a lower level. This is not something crazy. It has been done in other jurisdictions quite effectively, such as the U.K., which has a life sciences strategy. I think that's probably where I would go with this—to ask how we connect all of this.

We do everything in silos. We do pricing and reimbursement in a silo. We do investment in a silo. We do R and D in a silo. We have universities and talent, but is it all connected? The health and biosciences economic strategy table did a really good job of laying out all the assets we have and has identified a need for a cohesive way to bring it all together so that it is all connected and is truly an ecosystem. Like any ecosystem, such as a coral reef, every piece of it has to be healthy, alive and vibrant if the whole coral reef is going to be healthy. That's what we need right now.

We have all these great investments. We have the infrastructure. We have the talent. We have all the companies. Now we need to connect it all with a coordinated life sciences strategy, not only at the federal level but one that ties into all that's being done at the provincial level as well. There are provinces that are equally pursuing the investment area, the tax area and the talent area, so how do we bring it all together?

That would be my advice. If we're going to do this, if we're going to create companies that are anchor companies in Canada, let's do it through a strategy.

• (1225)

The Chair: Ed, there is time for a last quick question.

Hon. Ed Fast: As a follow-up, who is going to lead that effort in Canada?

You're suggesting that the broad policy to bring all those pieces together isn't there yet. Obviously this budget doesn't deliver on that. Who's going to lead that effort to bring all these different pieces together to allow us to actually leverage innovation to significant prosperity within Canada?

Mr. Andrew Casey: It's a combined effort. It's industry, government and academia. We all have to come together. The HBEST, which is the health and biosciences economic strategy table, did a good job of starting that process. They're going through a second phase.

That's the next part of this—how do we do it? Actually, it's incumbent upon every stakeholder to do it. Because it's so connected both in Canada and then internationally, I don't think we can turn to one and say it's the government's job or it's industry's job. I think that's what's going to be required.

The Chair: Ms. Dzerowicz, you'll get to wrap it up. You have about four minutes.

Ms. Julie Dzerowicz: Thank you so much, and thank you to the three presenters for the excellent presentations.

Ms. MacNaughton, I'm going to use you as an example to anyone in my riding who feels that they can't get anything done at the federal level. I will be using your name shamelessly, and I hope you don't mind.

Most of my questions are going to be addressed to Mr. Casey. I think most of my colleagues don't know, but I actually worked in biotech for a number of years when I came out of MBA school. I worked for a tiny company named GlycoDesign. I helped it go public. It ended up being sold to Inflazyme. Therefore, I'm very familiar with the issues within the industry, first-hand.

You were right in terms of indicating that we have tons of amazing ideas. We have enough money for the start-ups. Many of our ideas are actually sold to larger companies.

One of the key issues that existed then and I still think exists right now is building that capacity to actually help grow a company to the next level. One part is the investment, but the other part, in addition to having the talent—and I do think we do attract our fair share of talent and we could do more—is building that capacity to be able to run that larger organization.

What can we do to help build that capacity?

Mr. Andrew Casey: Again, as I said, the investment is always a big part of it. The dollars that need to flow to the sector are absolutely critical.

There are some roadblocks that some of the companies have also identified most recently. If you look at AbCellera and Repare in Montreal, and other companies, they've identified the access to wet lab space as actually pretty critical right now. There is an absence of wet labs in this country, and I think we have to grow more of that.

I do believe the budget contains some dollars that will be dedicated towards that. It still remains that, ultimately, there's going to be a talent issue at a certain point.

Most companies would like to stay here, and if we can overcome some of those roadblocks, I don't think there's a huge issue of losing them, other than making sure that we're keeping an eye on what other jurisdictions are doing to try to take those companies away.

Ms. Julie Dzerowicz: Thank you.

My next question is this. You mentioned something about there being a new approach to developing drugs so, of course, that has evolved. One of the criticisms of our budget—and I think Mr. Baisillie said this yesterday, and I'm paraphrasing him to a certain extent—is that it's like we have set up an old way of funding and supporting industry, but we have 21st-century problems. We have put in \$2.2 billion for the biomanufacturing and life sciences sector.

As we're setting up the programs, and as we're setting up the flow of funding, how would you say we could make sure we're setting it up in a way that is going to ensure we are supporting Canadian companies in this new approach of developing drugs?

• (1230)

Mr. Andrew Casey: I think you have to start out with the objective of making sure that it can be commercial. If it is done as an academic exercise, as I said earlier, and in between the crises you shutter it and don't use the facility or whatever facilities are developed, that would be problematic. If it's done with an eye to being commercial in between crises, so that it's ready when the time comes, that to me would be critical.

Really, the only way to do that is to work with industry. I think it would be a mistake for government to try to do it on its own. It needs to work in partnership with industry so that the commercial realities that are present in the global context are brought to bear in terms of whatever is being developed in Canada.

The Chair: We are going to have to end it there, Julie. I'm sorry.

On behalf of the committee, I want to thank all three witnesses. There is always a wide range of discussion over a number of topics. Thank you for your appearance. Thank you for answering our questions. Have a wonderful long weekend for those who have the opportunity to do so.

With that, we will suspend for a minute and then go to our next panel. That will give people time to stretch their arms at least and to grab a coffee. We'll be back in a minute.

The meeting is suspended.

• (1230)

(Pause)

• (1235)

The Chair: We will reconvene the meeting.

Just for the purposes of the record, welcome to meeting number 49 of the House of Commons Standing Committee on Finance, the second panel of the day.

We are meeting on the subject matter of Bill C-30, an act to implement certain provisions of the budget tabled in Parliament on April 19, 2021, and other measures.

Just for the information of witnesses, we are operating in a hybrid format, and under this system only people who are speaking will show on the website system of the House of Commons, which is made public.

With that, we will turn to the witnesses. Our first witness is the Conseil québécois du commerce de détail. Mr. Jean-Guy Côté is the chief executive officer.

Jean-Guy, if you could hold your remarks to about five minutes, or thereabouts, it would be helpful.

[Translation]

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

My name is Jean-Guy Côté, and I am the chief executive officer of the Conseil québécois du commerce de détail (CQCD).

First, I would like to thank the members of the committee for inviting me to appear today. This will allow me to present some of the vision and analysis of Quebec retailers on Bill C-30 and on the budget tabled a month ago.

As you may know, the Conseil québécois du commerce de détail is an organization that represents the majority of Quebec retailers. The CQCD is Quebec's leading retail industry association. The CQCD's mission is to represent, promote and enhance this sector and to develop resources to foster advancement for its members.

Given the limited time available for my presentation, I will focus on only a few points.

As you know, the past 14 months have been challenging for retailers. The pandemic has accelerated a number of transformations already under way in the industry, including the shift to e-commerce. In some sectors, such as fashion, retailers have closed up shop and jobs have been lost.

The various programs announced by the federal and provincial governments as well as by the municipalities have addressed some of the needs of retail entrepreneurs. The speed with which they were implemented is to be commended, although we believe they should have been adapted as early as the fall of 2020.

The federal budget extends the duration of various programs, including wage support, income support and rent support that were put in place during the pandemic. These programs will be phased out over the summer. While the recovery, confirmed by the very positive retail sales figures from Statistics Canada this morning, appears to be well under way, some retail sectors are still very much affected by the revenue losses incurred during the pandemic. We hope that the phase-out of the various measures will be monitored and that government support measures will be provided again at the first sign of further economic stress.

This brings me to my main topic, interchange fees. These are fees charged to retailers by large credit card companies on all in-store and online credit card transactions. These fees are sometimes very high and are used to fund, in part, the credit card companies' generous rewards programs. As a result, all in-store and online credit card transactions are subject to an additional charge, usually paid by the retailer.

Canada has the unfortunate but justified reputation for having some of the highest interchange fees. In 2019, research conducted by the Federal Reserve Bank of Kansas City, the FED, showed that Canada was among the top countries for interchange fees. Interchange fees typically hover around 1.4% per transaction. In comparison, Australia has reduced its interchange fee to less than 1%, but the example to follow is the European Union, which has capped it at 0.5%.

The significant expansion of e-commerce in recent months has led to a sustained use of credit cards to pay for purchases. This practice will not disappear, but it needs to be controlled. Such control would be welcomed by the retail industry, but more importantly it would be a gesture of fairness. The credit cards with most rewards are often supported by the revenues from regular credit cards of those with fewer financial means. In addition, charities are regularly charged interchange fees on donation transactions. A cap would have no impact on the federal government's finances, but it would be welcome for the finances of the retailers.

We are pleased to see that the budget opens the door to a consultation on introducing concrete measures in the budget update. This was an election promise made by the current government. We are ready and willing to work together to propose innovative and positive solutions for retailers.

Our request is simple: cap interchange fees at 0.5%, as the European Union has done, and eliminate fees charged on the GST or other taxes on transactions.

In closing, I would like to thank the members of the committee for their welcome today, and I look forward to their questions.

• (1240)

[English]

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

We'll turn now to the Licensed Child Care Network, with Ms. Pihlak, executive director, and Ms. Bourbonnais-MacDonald.

The floor is yours.

Ms. Kara Pihlak (Executive Director, Licensed Child Care Network): We'll be sharing the five minutes.

My name is Kara Pihlak and I'm the executive director of Oak Park Co-operative Children's Centre in London. I'm also a member of the Licensed Child Care Network and chair of our advocacy sub-committee. I am representing LCCN today.

Licensed Child Care Network is a group of early learning and licensed child care organizations dedicated to high-quality child care. We work collaboratively with the community to raise public awareness about the importance of early learning and licensed child care.

Professor Céline Bourbonnais-MacDonald (Researcher, Licensed Child Care Network): Good afternoon, everyone. Thank you very much for having us today.

I am Céline Bourbonnais-MacDonald. I am a professor at Fanshawe College in the early childhood leadership degree program, as well as an adjunct associate professor at Western University. My area of focus is educational leadership.

I have been connected with the LCCN for the past two years as a researcher in the area of early childhood leadership and I have been supporting their work in advocating what a national early years framework would look like and proposing some of the key elements that should be addressed via a budget requirement.

The research I'm conducting right now is focused in the Middlesex-London region. We are looking at key stakeholders and trying to basically co-design an early years policy framework from the needs and aspirations in the southwestern Ontario region.

Ms. Kara Pihlak: The LCCN is, obviously, incredibly supportive of the recent federal budget announcement that allocated \$30 billion over the next years for child care. A national child care program benefits a country's population, economy, children and overall well-being. We are especially supportive of your creation of a national child care framework that is low cost and accessible to all Canadians.

One of the key pieces of a national child care framework is quality early childhood educators. These are the staff that work in child care centres. I will call them ECEs. The ECEs provide support, learning, and care for children in Canadian child care centres each day. Therefore, with the support of the federal budget, it is vital to make early childhood education a professional and fulfilling career for folks to enter and stay in.

Ms. Céline Bourbonnais-MacDonald: There is some of information that you may be familiar with, either from a global perspective or from the province of Ontario. The Association of Early Childhood Educators and the Ontario Coalition for Better Child Care has just completed a report on the status of the ECE workforce. If we do expand to a national framework, what would that mean in terms of having a workforce that would be skilled, qualified, and ready to hit the ground running, so to speak, when there's a full implementation of a universal child care approach?

We want to bring one key element to your attention. Currently, 54% of the current educators are seeing a decrease in their job satisfaction, and another 43% are considering leaving the sector, while 13% are actively looking for job opportunities outside the sector.

• (1245)

Ms. Kara Pihlak: The workforce that makes up ECEs and child care workers is 90% female, which includes a growing number of women of colour.

Historically, and currently, ECEs and child care workers are paid under a living wage. Their wages fall on a spectrum, with some just making minimum wage, all the way up to \$30 an hour. However, the average wage is about \$21 an hour in Canada, which is about \$42,000 annually. While this may be a feasible wage for someone who has a partner, for someone who is single this is not an adequate wage to support a life, to buy a vehicle, to buy a house or to enjoy a vacation with family.

Due to the low wages in child care, the average time an individual stays in the field is five years. This high turnover rate means that good-quality educators are leaving the field, predominantly because of the low wages and the high demands of the job. This turnover rate erodes the quality of the workforce in child care, so we are not able to hold on to professionals for 15 or 20 years or until their retirement.

This is not just a Canadian, Ontario, or London challenge. The challenge is occurring across the globe, as reported by the Organisation for Economic Co-operation and Development. The number of highly skilled and qualified ECEs is impacted by the increasing age of the ECEs, difficulty in attracting skilled and qualified ECEs, high staff turnover, low wages, lack of recognition and the feeling of being undervalued, as well as poor working conditions.

What is the solution to this problem?

When thinking of creating a strong, affordable, quality early years system, it is important to consider the human infrastructure to the system. We need to support the career of an early childhood educator as a respected and valued profession, a career that will be seen as one to be proud of for the majority of one's working life.

How do we do this?

Higher wages, benefits, adequate vacation time and job protection will improve the ability to attract skilled and highly qualified early years educators, increase the retention rate and allow child care centres to have qualified and passionate staff who will stay in the profession, ensuring consistent learning and care for the children.

The LCCN advises that a national system consider a grid format that reflects the worth of the work of the ECEs and the ECEs' value to families and communities. In this approach to remuneration, a new ECE would start at a rate of \$25 an hour. The rate would grow yearly, as well as if additional qualifications were achieved, creating a predictable and dependable wage grid similar to the wage grid of the teaching profession.

Ms. Céline Bourbonnais-MacDonald: We really can't have a high-quality childhood education and care system across the country, and for us more specifically in the London-Middlesex area, without high-quality early childhood educators. They're the key to a successful national child care framework, and this was duly noted yesterday in the First Policy Response webinar with guest speaker the Honourable Ahmed Hussen, Minister of Families, Children and Social Development.

It's very important to go beyond numbers. When we consider expanding a system, we really need to look at some stories of current early childhood educators, specifically one who is an experienced

early childhood educator and is now completing a degree in teachers' college. Basically, the rationale was that while her passion and her original intent was to stay in the field, considering the remuneration and the perspective of that career and because of being a single female wanting to be fiscally responsible for herself, she is at this point moving away from her chosen profession.

The second student, brand new to the profession—a recent graduate of the program—indicated a similar issue because of her health concerns. She would be entering another teachers' college so that she could continue working with children, but obviously outside of the system that desperately needs her.

Those are just two lived experiences that I'm sure reflect not only what is happening in the London area but also across our country and across the globe. It is really important, as the budget starts to look at navigating what are going to be key parameters within the budget in supporting early years, that the remuneration of early years child care professionals is recognized and acknowledged and is part of the conversation.

Again, thank you very much for letting us share our voice with you today.

• (1250)

[*Translation*]

Thank you for your time as well.

[*English*]

The Chair: Thank you very much to you both.

We'll go to UNITE HERE Canada, and Michelle Travis.

Ms. Michelle Travis (Researcher, UNITE HERE Canada): Hi. Thank you for the invitation to address you today. I'm with UNITE HERE Canada, the hospitality workers' union.

I'd like to address the new Canada recovery hiring program and the extended wage subsidy proposed in the budget.

When launched, the government said the wage subsidy would keep workers attached to their jobs with a furlough until working. The proposed hiring subsidy is also supposed to make it easier for businesses to rehire laid-off workers or bring on new ones. The problem is that these programs aren't designed to help workers. Without tighter conditions, the new hiring subsidy could reward bad corporate behaviour and bypass the very workers it's intended to help. We've seen too many hotel employers in our industry use the wage subsidy and then fire most of their staff anyway.

While government is proposing a clawback for public company executives under the wage subsidy program, there's no clawback for private employers. For example, three companies tied to the Hilton Vancouver Metrotown have used the wage subsidy program but have terminated the majority of their staff in recent weeks. Other hotels that used the wage subsidy—Sheraton Ottawa, Pan Pacific Vancouver—also terminated much of their workforce rather than agree or commit to bringing them back when the pandemic crisis is over.

The Chair: Michelle, I hate to interrupt, but can you move your mike up a little bit? It's popping, and that's hard on the translators' ears.

Ms. Michelle Travis: Okay. Is this better?

The Chair: That's better, yes.

Ms. Michelle Travis: Okay, thanks.

You're going to hear shortly from workers from the Pacific Gateway Hotel, a federal quarantine site, whose owners are named in the CEWS registry. They recently fired over 70% of their staff.

We want to know whether employers like these are going to be eligible for the federal hiring subsidy. Unless the government adds clawbacks or restrictions, we think the answer to that is yes.

We think laid-off workers need a pathway back to their jobs. The new hiring subsidy should prioritize rehiring laid-off staff before making outside hires, and the clawbacks for public subsidies should apply to private sector employers as well. The government should consider working with provinces on worker recall provisions, like those adopted by the State of California and other jurisdictions, to ensure workers who faced pandemic layoffs are first in line to get their jobs back.

We think that would go a long way to ensure a just and feminist recovery.

Thank you.

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

We are turning now to UNITE HERE Local 40. I believe we have Ms. Dhillon and Ms. Cardona. I'm not sure who is making the presentation.

Ms. Dhillon, go ahead. The floor is yours.

Ms. Kiranjit Dhillon (Hotel Room Attendant, UNITE HERE Local 40): Hi. My name is Kiranjit Dhillon, and I worked for the Pacific Gateway Hotel. Thanks for inviting us today.

I want to speak about the budget's proposed government subsidies for businesses and about our hotel.

For 17 years, I worked as a room attendant at the Pacific Gateway Hotel. I cleaned rooms and took pride in my work. I raised my children on this job. All that has changed. When the government took over our hotel as a quarantine site, it brought in the Red Cross. Other people were trained to do our jobs. The hotel recently fired 140 of us. This month, they terminated me and many of my co-workers. Out of 40 room attendants, they got rid of all but four workers. The owners are destroying our jobs. We are losing every-

thing we worked so hard for. Some of us had been there for decades.

Our hotel isn't closing. The owners just applied to build two more hotel towers next door. The owners used the wage subsidy, but they didn't put us on it. Our government is giving the hotel millions of dollars while we lose our jobs, and now the hotel owners will get another subsidy. We shouldn't lose our jobs because of the pandemic, especially when people are getting vaccines and travel will be starting again soon. If the government wants to help us, it should stop giving money to our hotel or to any hotel owner that uses workers as though we are disposable.

Thank you so much.

• (1255)

The Chair: Thank you.

I didn't quite catch what you said at the beginning. Did you say "Pacific Gateway Hotel"?

Ms. Kiranjit Dhillon: Yes.

The Chair: Okay.

We will go to questions, and I'll give you the lineup. We will begin with Mrs. Jansen, and then we will have Mr. Fragiskatos, Mr. Ste-Marie and Mr. Julian.

Mrs. Jansen, the floor is yours for six minutes.

Mrs. Tamara Jansen: Thank you very much.

I should put my timer on, but that's all right. Just warn me.

Ms. Pihlak, you might not know it, but many years ago when I was a young teenager, I used to work in a day care. I enjoyed it very much, but it broke my heart to see how hard it was on the kids when their moms and dads came and went. My sister also worked there. Of course, I was a young teenager, so I only worked after school and I in the summer. My sister worked there. She had papers. She worked until she got married and had a family of her own.

I'm just wondering how many... You were mentioning that there's a high turnover. I know in my lived experience that much of the turnover was due to the women getting married and having children of their own. I wonder if you could speak about whether you've looked at that part of it.

Ms. Kara Pihlak: Yes, the statistic is that it's around three to five years that people stay in the field, and then they leave. At the beginning of your career, in your early 20s, you have a lot of energy. You may still live at home. You may not have the fiscal responsibility of paying rent and buying your own groceries, so it's a great career for someone in their early 20s. However, if I can speak about my personal experience on the floor, I wasn't able to afford my own apartment working as an ECE, so that's why I moved up the field so quickly.

It's really not a living wage, so I think that is why so many women decide to leave. They have a family or get married or simply have to move on, as discussed in our paper, because it's just not enough wages.

Mrs. Tamara Jansen: Yesterday we had someone who did a report on it called "Look Before You Leap: The Real Costs and Complexities of National Daycare". They did a study, and they basically were saying that a low estimate of the cost would be about \$17 billion annually and that the most reasonable estimate would be at \$36.3 billion, based on the many differences there are between square footage, the number of kids per teacher and all of that kind of stuff.

What she was saying is that it will be basically not possible to deliver on this promise because of all those things. Have you looked at the numbers closely to see whether it looks like it makes any sense?

Ms. Kara Pihlak: I'm going to pass that one to my colleague Céline.

Ms. Céline Bourbonnais-MacDonald: I have. I think it's based on, obviously, different perspectives and whether we do it gradually. I was involved with the implementation of full-day kindergarten in our southwestern Ontario region. Again, I believe that the current proposal over a certain number of years is perhaps a more prudent approach than going full peed ahead.

The data that I am familiar with is comparing the return on investment with regard to what the Province of Quebec did originally from the late 1990s and moving forward. When you bring more people to work, basically more taxes are being paid, and you end up.... I believe the program, as it stands currently, was breaking even. Now, with the pandemic, obviously, there are certain concerns in any jurisdiction with the cost.

• (1300)

Mrs. Tamara Jansen: I know she also mentioned a study by Baker, Gruber and Milligan, and she was saying that only one-third of children in Quebec are in the higher-quality CPE spots. How would we end up avoiding that problem, based on the numbers you're seeing?

Ms. Céline Bourbonnais-MacDonald: I think one of the ways that we are looking at Quebec is not exactly that this is going to be our answer to all of our issues. We know there are going to be various levels of engagement from parents, because they do wish choice, so when we start to look at expanding a system, we need to consider various ways of delivery, depending on the various areas.

We know that across our country there are schools that have in-house child care. We have centres that are stand-alone. We have

regulated and family-centred child care. Given all the various methods of delivery, we can really reduce the wait-list and the number of children waiting—

The Chair: You have 90 seconds, Tamara.

Mrs. Tamara Jansen: You mentioned choice, and I think that was the big message from yesterday. What Canadian parents are looking for is choice. It looks like this program doesn't actually give us that. She was suggesting, rather, that you would put that ability into the parents' hands rather than impose upon them a system like this.

Ms. Céline Bourbonnais-MacDonald: I beg to differ, in the sense that right now, considering my own experience as a brand-new grandmother with a grandchild in B.C. and young nieces and nephews in the Ottawa and Montreal areas, we don't have choice currently—

Mrs. Tamara Jansen: In B.C., actually, because of the NDP program rollout, we just had 18 new facilities choose to shelve their plans to open because of the fact that this is being imposed on them, so choice is definitely going to be an issue, as well as capacity.

Ms. Kara Pihlak: Can I interject quickly?

We speak about choice; however, there's currently not a choice. Even if a parent wanted their child to go to a child care centre, there are not enough ECEs and not enough spaces. Having a national plan will allow parents to choose to enrol their child in high-quality care. Right now, it's unlicensed, licensed, and home care. It's such an array of quality that a national program will allow for the safety and quality of education of children.

The Chair: Okay. We will have to move on to Mr. Fragiskatos for six minutes, followed by Mr. Ste-Marie.

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

Professor Bourbonnais-MacDonald, it's great to see you again. Ms. Pihlak, it's great to see you.

Thank you for taking part. I want to begin with you. In fact, I'm going to hazard a guess that my entire six minutes will be spent questioning you both, not to take anything away from the other witnesses who have come before us today.

I would clarify something, and Mr. Chair, I put this to you as well. The idea that the federal government is trying to impose what's in the budget as a national early learning and child care program on Canadian families and the idea that—as we heard yesterday, very surprisingly, and I'm being polite—families would be coerced into taking part in the program are completely false ideas. Parents will, of course, retain choice. Canada is a democracy. I'm not sure where the sorts of questions that we just heard.... Again, we heard some of this yesterday, Mr. Chair. It's bizarre. I was going to say it borders on the bizarre; it's just bizarre. Let's clear that up. This is about making sure that of course parents have choice, but parents have options. It's very expensive.

That's my first question, in fact, to Kara or Céline. I'm not sure who wants to take it. Child care is very expensive throughout Canada. Can you expand and go into that for us?

Ms. Céline Bourbonnais-MacDonald: Yes. We are one of the few countries within the G20 that... Basically, for parents, especially in some of our larger cities—Montreal, Vancouver, and Toronto, and London is moving up there—the cost per year of having one child in regulated child care, if not two, is even higher than tuition fees for post-secondary education.

If we're trying to balance having quality care at the same time as maximizing the pedagogy and the curriculum that come with care and learning, what is being proposed is basically giving children across the country an ability to move forward within the structured school system with a lot of potential. I mean potential not only from the point of view of academics, but also their personal well-being, their self-worth. There's ongoing research, and McMaster University is a key leader in that.

It's really important to consider what parents want. What they need first is obviously, as we discovered through the pandemic, accessible and dependable care so that they can continue to do their work, whether they're working from home or whether they're front-line workers. With that in mind, a system that can offer that, regardless of whether we're in crisis mode or not, is supporting families from that perspective.

Also, I want to reinforce what we were talking about earlier in our presentation, Kara and I. It's the concept that the infrastructure of the system—the building, whatever that looks like—is dependent on a very strong, qualified workforce to make sure that our children are in the right environment and that parents have choice within that system, which includes emergency care—

Mr. Peter Fragiskatos: I—

Ms. Céline Bourbonnais-MacDonald: Thank you.

• (1305)

Mr. Peter Fragiskatos: No, I didn't want to cut you off. I was just saying that I understand exactly what you're saying. We do, unfortunately, have limited time.

Kara, let me just put something else to you, and you can take it in any direction you wish. I certainly acknowledge the attraction and retention issues that you have pointed to. I think that is something that needs to be addressed by the federal government—with the

provinces, of course, and the nuances matter here for sure. I don't want to take away from that.

There's another question that I wanted to put to both of you. I hear an argument from especially the Conservative side—and I think only the Conservative side, in fact—that a tax benefit would suffice, so let's go down that path. What do you make of this argument? The Conservatives worry that the state is expanding and that national programs of this type are not necessary. What do you think of that sort of argument?

The Chair: That will be your last question, Peter.

Ms. Kara Pihlak: Tax benefits are not child care.

You can think of it this way. I receive a tax benefit from the Conservative government and I go to sign up my child for care, but there's no care. At my personal centre, the wait-list is until September. At other centres, it's for years. There are simply not enough spaces for the children and the parents who need them.

Tax credits do not fix the system. We need a complete system overhaul whereby we invest directly in the infrastructure and directly in the educators, because there are simply not enough of them and there's not enough good high-quality care right now. It's not a personal responsibility anymore; it's the social right of the child and the family to have the care they need.

Céline, would you like to talk more about this?

Ms. Céline Bourbonnais-MacDonald: No. That was well said.

Mr. Peter Fragiskatos: It's very helpful to us, as I know from previous conversations on the importance of early childhood learning especially that both of you have put to me.

Chair, I turn it back to you. Thank you very much.

The Chair: All right. We're just about at the six minutes.

I see that Ms. Cardona has come back online.

I know that you had a short statement as well, Ms. Cardona. If you can hear me and if you want to make that now, go ahead. The floor is yours.

Ms. Elisa Cardona (Hotel Worker, UNITE HERE Local 40): Thank you, Chair.

I'd like to thank the committee for inviting us today to join you to speak about government subsidies for businesses, like the new federal hiring subsidy and the expansion of the wage subsidy.

Michelle mentioned before that the government—

[*Translation*]

Mr. Gabriel Ste-Marie: Mr. Chair, a point of order.

[English]

The Chair: Just hold on, Ms. Cardona.

Go ahead, Gabriel.

[Translation]

Mr. Gabriel Ste-Marie: Unfortunately, because of the poor sound quality, the interpreters were not able to do their job.

[English]

The Chair: Where's your mike, Ms. Cardona?

Ms. Elisa Cardona: It's on my headset. My computer died and I wasn't able to find a replacement.

The Chair: I'm sorry. We can't continue unless we have interpretation.

Is there anything we can do there, Alexandre?

• (1310)

The Clerk: We can try to connect with Ms. Cardona. However, I'm—

The Chair: Okay. We'll try to connect again.

Could you give us one more line?

Ms. Elisa Cardona: Can you hear me now? Is this better?

The Chair: Yes. Go ahead.

Ms. Elisa Cardona: Thank you, Mr. Easter.

I'd like to thank the committee for inviting us to join you today to speak about government subsidies for businesses, like the new federal hiring subsidy and the extension of the wage subsidy.

As Michelle spoke about, the federal government took over our hotel, the Pacific Gateway. The government also brought in the Red Cross, and they have been here since last year. We became displaced from our restaurant, kitchen and housekeeping jobs. The hotel management used the federal takeover as an excuse to terminate me and 140 of my co-workers. That meant 70% of our staff was fired. Two-thirds of them were women.

I worked there full time for seven years as a hostess and server until the pandemic put me out of work. I am a single mom raising two children. Their ages are 12 and 14. This past year has been very stressful for me and my family. My co-workers and I thought we would have jobs to return to when the pandemic ended. All we asked of the hotel was to extend our recall rights due to the pandemic. We have only a 12-month recall right. All of us have pretty much gone past that. That's why we have been fired.

The owners of Pacific Gateway used the wage subsidy but never used it for us. Will they be receiving the new hiring subsidy to hire our replacements? Public subsidies are supposed to help businesses keep us connected to our jobs during the pandemic. This isn't happening. Prime Minister Trudeau also promised us a feminist recovery, but women are still bearing the brunt of the firings at our hotel on the government's watch. These were living-wage jobs that allowed us to support our families.

After the latest round of mass firings, we went on strike on May 3. The federal government should not spend millions of dollars subsidizing a hotel that throws us away. We urge you to stop using this

hotel and to not allow hotel owners to use public subsidies at our expense.

Thank you.

The Chair: Thank you very much, Ms. Cardona. It's not easy for you to make those comments, given the situation you find yourself in. We thank you very much for that.

We'll go back to our rounds.

We'll begin with Mr. Ste-Marie for a six-minute round, followed by Mr. Julian.

[Translation]

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

Ms. Cardona, thank you for your testimony, which was very poignant. Let's hope the situation changes.

Good afternoon to all the witnesses. My thanks to them for joining us today.

My questions are for Mr. Côté.

Mr. Côté, thank you for your presentation, which was very clear. First, I would like to come back to the interchange fees imposed on retailers by the credit card companies. This rate is 0.5% in Europe, whereas it is 1.4% and can even reach 2.5% here in Canada.

You are asking the government to take action in that area. Is that correct?

Mr. Jean-Guy Côté: We have actually been asking the government to reduce these fees to 0.5% for a few years. The European Union has demonstrated in practice that it is possible to do so without automatically destroying the payment system.

It is important to understand that, in Canada, debit card payments use a fixed cost system. The fee charged to the retailer is a single cost, regardless of the quantity purchased or the amount of the bill.

For credit cards, the fee is a percentage. For large transactions, the fee charged to the retailer becomes quite substantial.

For small and medium-sized retailers, who don't really have the leeway to negotiate with the two large credit card providers that we are very familiar with, it's a little difficult to have the negotiating power to reduce those fees.

Large retailers, such as the major U.S. chains, have been able to secure attractive rates over the years. However, this negotiating power is not available to small and medium-sized retailers.

Given that the banking system is federally regulated, there is clearly room to control [*technical difficulties*] more creatively, and at zero cost to the government. This would still help retailers and purchasers, especially since the fees are imposed on charitable donations.

When a donation is made to any charity in Canada, a percentage of that donation goes into the pockets of credit card providers. In a sense, it is as if a hidden or private tax is attached to the transaction.

Transactions have become much simpler over the years because of the computer and digital systems in place whose costs have probably already been absorbed. So it's hard to understand why we could not have those interchange fees reduced.

• (1315)

Mr. Gabriel Ste-Marie: Thank you.

It's really shocking to learn that, when you want to support a charity, you end up subsidizing Visa and MasterCard at the same time. I hope that this will be taken into account in the Minister of Finance's legislation.

The minister announced such a measure in her budget, but it is not in Bill C-30. In the budget, she states that it will be included in next fall's economic statement.

But it is no secret that the government is likely to call an election in August.

Would you have preferred to see such legislation introduced in Bill C-30, which we are discussing today?

Mr. Jean-Guy Côté: We were pleasantly surprised to read that in the April budget. For the sake of transparency, I must say that we had given up believing it. The government and the opposition parties are responsible for the electoral calendar, so I will leave it to the parliamentarians to decide what to do.

However, I would also like to express our interest in actively participating in the discussions for the implementation of such a measure next fall. Working committees should be set up, and we should get to work before the summer.

We therefore strongly encourage the people at the Department of Finance to get the process under way and to consult with those involved so that we can have something tangible as soon as possible.

Mr. Gabriel Ste-Marie: Your message is clear. Let's hope you are being heard.

Another point stood out for me. You said that large American chains are able to negotiate lower rates that give them an advantage over our retailers, which are often family businesses.

I also wish it had been implemented more quickly, because I feel that credit card payments, especially online payments, have multiplied with the pandemic.

Have you noticed an increase in credit card payments to the members of the Conseil québécois du Commerce de détail compared to before the pandemic?

Mr. Jean-Guy Côté: We are seeing it a lot with e-commerce.

In stores, people can use both payment methods. Debit card payments should always be preferred, because they are more beneficial for both the consumer and the retailer. However, it is more difficult to pay online with a debit card.

Due to the substantial shift of purchases from physical locations to online purchases, credit cards have become a much more widely used payment method. The gradual disappearance of—

[*English*]

The Chair: I just wanted to say that this is your last question, Gabriel.

Finish up, Mr. Côté.

[*Translation*]

Mr. Jean-Guy Côté: In closing, I would just like to say that people are using cash less and less. The same bills end up staying in wallets for a few weeks.

As credit cards are being used more and more, it's a good time to regulate everything for everyone's benefit.

Mr. Gabriel Ste-Marie: Thank you.

We know that independent retailers are the soul of our downtown areas. I live in Joliette and the stores, restaurants and boutiques keep the downtown area of Place Bourget alive.

I am concerned that some or many of them will close because of the pandemic.

How are these retailers coping with the debt load they have faced over the past year? What is the situation on the ground?

Mr. Jean-Guy Côté: The situation is fragile. It depends a lot on the retail sector. Some businesses have done very well. If you go to your local hardware store, you will see that they are doing very well.

However, the survival of some fashion retailers, for example, is a little more precarious. Some are in debt and, clearly, some will not survive and some will come out of this in rough shape. We need to ask ourselves some questions.

The commercial and social fabric of some of the main streets in your ridings is at stake. For us, this is important.

• (1320)

Mr. Gabriel Ste-Marie: Thank you.

[*English*]

The Chair: Thank you both.

Mr. Falk will follow Mr. Julian.

Mr. Julian, you're up.

Mr. Peter Julian: Thanks, Mr. Chair.

Thank you to all of our witnesses for the compelling testimony. I certainly hope that you and your families are staying safe and healthy during this pandemic.

Ms. Dhillon and Ms. Cardona, thank you so much for bringing your reality to Ottawa. It bursts the Ottawa bubble about what is actually happening on the ground.

My first question for both of you is this: How much money is this government giving to the owners of Pacific Gateway? What has been the impact on you and your family of the owner basically trashing the collective agreement, and what is your message to Mr. Trudeau today on the issue of making sure workers are actually supported during this pandemic?

Ms. Elisa Cardona: We have been trying to figure out how much the federal government is giving the hotel, but they are keeping that very secret. The number we've heard is between \$500,000 a month and over a million dollars a month.

Mr. Peter Julian: A million dollars a month...?

Ms. Elisa Cardona: Yes, a month. That's what people have heard through the grapevine, but we haven't been able to get real information on that because the government and the hotel have refused to give that information to the union.

What was your other question?

Mr. Peter Julian: What is the impact on you and your family and what is your message for Mr. Trudeau today?

Ms. Elisa Cardona: It has impacted everybody's family. I don't have a mortgage, but I know many of my co-workers do, and they're on the verge of losing their homes. I'm living on a day-to-day basis financially because, as much as I appreciate the EI and CERB, those subsidies are not enough with the Vancouver markets these days.

The message I would like to give Mr. Trudeau is to please follow through with having a feminist recovery. Women are suffering. We are getting the brunt of it. We use our wages to help our community as well, because we do the grocery shopping and everything. Please reconsider subsidizing a hotel that is breaking all the rules.

Mr. Peter Julian: Ms. Dhillon, it's the same question.

What is the impact on you and your family, and what is your message to Mr. Trudeau today?

Ms. Kiranjit Dhillon: My message to Mr. Trudeau is to stop giving millions of dollars to our owner when we are losing jobs. This is such a hard time for everybody. Some ladies have been working for more than 40 years in the hotel. They are really close to retiring, and I don't think they can find another job somewhere else.

Please, Mr. Trudeau, stop giving them the subsidies.

Mr. Peter Julian: Thank you very much.

Now I'll go to Ms. Travis.

We've seen this government intervene repeatedly. In fact, last June, they presented legislation that would have put people in jail if they made a mistake and wrongfully applied for the CERB. We saw CRA demanding repayment at Christmastime. We found out that

CRA is now, again, for emergency benefits that go to regular families, trying to force the victims to pay in the case where somebody has fraudulently misused their SIN to apply for somebody else's CERB. However, we've seen big businesses act with impunity. We've seen them pay dividends. We've seen them with massive executive bonuses.

Your message today, Ms. Travis, from what I understand, is that what we actually need is to ensure that collective agreements are respected, that the wage subsidy actually goes to protect jobs and that it should be retroactive. Is that a fair summary of the powerful message you're bringing today?

● (1325)

Ms. Michelle Travis: Yes, that's right.

The Globe and Mail has done a series of stories about the problems with the wage subsidy program. I think the idea of the wage subsidy makes a whole lot of sense. We don't have a problem with employers getting access to that program. The problem is that it was described as a way to keep workers attached to their jobs. We don't see that happening. We've seen employers use it selectively. Maybe they use it to cover management or maybe they just cover a skeleton crew. In other countries, we've seen that they've used it to make sure the workers stay attached and that money is flowing through to workers who need that. It's really critical to keep that connection.

We understand it's going to be a while for business to come back in the hotel sector. Now another subsidy is coming and we are concerned that there are going to be no restrictions or controls on who is able to qualify for that. There are some limited restrictions, but in terms of whether they are going to be able to access that subsidy after they've eliminated their staff and replaced them with less, will they get a hiring subsidy for the replacements? That's a problem.

Regardless of whether they're in the union or not, we've seen this affect hospitality workers across the board. Non-union workers started losing their jobs last year. Elisa referred to this. In union contracts, you may have 12 months of recall in your contract, but we don't bargain contracts with a pandemic in mind. We've asked all of our employers to consider extending the amount of time workers can come back to their jobs to get through the pandemic.

We know the work is coming back. We want to make sure that those workers who've invested 10, 20, 30 or 40-plus years of their lives in these hotels will have the first shot at getting their jobs back. We think that's fair. It doesn't cost the government a dime. It's the decent thing for employers to do. Unfortunately, we're seeing a lot of employers use the pandemic as an opportunity to get rid of long-term staff and drastically roll back the economic gains they've made over years. That shouldn't be happening. We don't want to see government programs used to benefit them and not help workers.

The Chair: Thank you all for that interchange.

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

Mr. Ted Falk: Thank you, Mr. Chair.

Thank you to all the witnesses. There were some very interesting stories. I want to get to several of you in the five minutes I have.

I want to start with Kara and Céline.

You've talked about the merits of a national day care program. I just want you to know that I live in and represent a riding of 19,000 square kilometres. I have many small communities in my riding. My constituents avail themselves of child care through the use of neighbours, family and friends. I'm just wondering how you think a national day care program would provide my constituents with choice.

Ms. Kara Pihlak: Ted, the dream of the national program is to make it accessible to large cities, medium cities and the small rural cities that you are speaking of. We envision that the home child care that's currently running will be a part of the program, so small houses with four or five children will be involved in this national program and also be supported. The idea is that it will provide choice because it will support all sizes of—

Mr. Ted Falk: That's not the way it's been presented, but okay. Thank you for that answer.

I think it's going to take away choice and there won't be fair compensation for folks who are outside of the program, which is being presented as a national program.

For my next question, I'm going to go to—

Mr. Peter Fragiskatos: I have a point of order, Chair.

The Chair: Go ahead.

Mr. Peter Fragiskatos: One can quarrel with points in the budget, but as I mentioned before, these are just outright falsehoods that we continue to hear—

The Chair: Look—

Mr. Ted Falk: That's not a point of order.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): I have a point of order.

The Chair: Just hold on now. There are three points of order here.

Go ahead, Mr. Kelly.

Mr. Pat Kelly: I let it go last time, but Mr. Fragiskatos has to stop insulting members of the committee because he doesn't like the questions they ask.

The Chair: Mr. Kelly, that isn't a point of order. We're into debate here.

Mr. Pat Kelly: It goes to the decorum of a meeting.

The Chair: I'm going to go back to Mr. Falk.

Mr. Ted Falk: Mr. Chair, I would agree with Mr. Kelly. Mr. Fragiskatos is an embarrassment to his constituents with regard—

• (1330)

Mr. Bryan May (Cambridge, Lib.): Come on, Mr. Chair. That's not appropriate.

The Chair: Let's not get into this. Let's question the witnesses, if we could.

Hon. Ed Fast: Peter started this.

The Chair: It doesn't matter who started it. I'm going to finish it.

Mr. Ted Falk: I hope you're not taking away from my time, Mr. Chair, because I do have some really important questions.

The Chair: No, I'm not taking away from your time. I have it on lap here, so we're okay.

Mr. Ted Falk: Very good. Thank you.

To Elisa and Kiranjit, thank you so much for your testimony. I'm very intrigued with your story, and I'm sorry for the situation you find yourselves in.

If I understand you correctly, the hotel that you were employed at, the Pacific Gateway Hotel, was hijacked by the Liberal government, and you, as long-term employees, were fired. Is that correct?

Ms. Elisa Cardona: Yes, sir, that is correct.

Mr. Ted Falk: Were you then replaced with federal workers?

Ms. Elisa Cardona: The Red Cross has been doing work inside, and they also contracted out another company to do some cleaning in the hotel. Only 30 workers have been called back since January of this year.

Mr. Ted Falk: Did they give you a reason they wouldn't have continued on with the services that you've obviously done very well for the past seven years?

Ms. Elisa Cardona: No, there hasn't really been a clear answer to that.

It all falls down to lack of training, which I don't believe. We have thousands of hours of training, and we are extremely trainable. We are very good at our jobs. Housekeepers can do it with their eyes closed. There was just not an opportunity given; it was ripped away from us.

Mr. Ted Falk: This Liberal federal government came in, hijacked the hotel, made it a quarantine hotel, charged the new guests—and I use that term lightly—exorbitant rates, and then fired you long-term workers and replaced you with Red Cross and their own employees.

Ms. Elisa Cardona: Yes, and after the pandemic, they want to replace us at minimum wage. For example, someone makes \$21 an hour. They want to reduce that person's wage to \$15.20. They want to remove the union health care plan and incorporate their own, which the employee pays for. They also want to do an RRSP contribution. It's a good idea, but when you're making minimum wage and paying for your medical, it just doesn't make sense.

Mr. Ted Falk: Ms. Cardona, you said that you're living day to day. How has this impacted your family?

Ms. Elisa Cardona: Significantly. I can see that my children behave differently, because they feel the stress of it too.

Mr. Ted Falk: You're obviously able to take advantage of the CERB at this point, and that's being proposed to be rolled back later on this year. Where do you see yourself going?

Ms. Elisa Cardona: I am currently on EI. If you're on EI, you don't apply. You cannot get the CERB. It's either-or.

Where I see myself is continuing to fight to get my job back with living wages, with health care and with seeing my co-workers being able to retire from the jobs they gave 46 years of service to.

The Chair: This is the last question, Ted.

Mr. Ted Falk: It seems as if this Liberal government has created the situation that you find yourself in. Have they at all come to your aid and offered to help you in re-establishing yourself as an employee at Pacific Gateway Hotel?

Ms. Elisa Cardona: We haven't received any response from them.

Mr. Ted Falk: Thank you, Mr. Chair.

The Chair: Thank you, all.

We'll go to five-minute rounds.

You have five minutes, Ms. Dzerowicz, followed by Mr. Ste-Marie.

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

I want to thank all witnesses for being here today. Thank you so much for your important testimony.

I'm going to start with UNITE HERE first, and maybe I'll start with you, Ms. Cardona, but I really want to thank all three of you for your very passionate testimony today.

I want to start off with two clarifying statements, Ms. Cardona.

To the question of how much money the federal government was giving to the hotel, you indicated \$500,000 to \$1 million. I want to make sure it's clear on the record that this is what you're hearing through the grapevine, but you do not know whether that is a true amount. Can you clarify that, please?

Ms. Elisa Cardona: Absolutely. It is not a true statement. It is just what we have heard through the grapevine. Both the federal government and the hotel have been very tight-lipped about how much they're actually receiving on a monthly basis.

• (1335)

Ms. Julie Dzerowicz: The other thing you mentioned was that you were fired. There's a statement that I pulled up online from the hotel, and it says that no one has been fired but there have been permanent layoffs.

Would you say that that's an untrue statement, or would you say, no, you have been fired?

Ms. Elisa Cardona: Being permanently laid off is being fired. It's just a different way of saying it.

Ms. Julie Dzerowicz: It's the same thing. Thank you for that.

In terms of supports, Mr. Falk asked one of the questions I was going to ask: What supports are you currently receiving? Thanks for letting us know that you are on EI.

One of the key programs we have.... You were talking a bit about the need for more supports for women, and there's a lot of compassion for women, particularly for single women who have kids. We have introduced a national child care plan. Do you think it was a really positive addition and announcement in the federal budget 2021?

Ms. Elisa Cardona: I personally cannot speak of that because my children are so old now that I wouldn't be able to take advantage of it or even use it at any point.

Ms. Julie Dzerowicz: Do you think it's good for other women who might have much younger kids? Do you think that once we put that program into place, it might be a great program for women across the country?

Ms. Elisa Cardona: Fair enough. It is help, but there needs to be.... It branches out in so many directions. You cannot just hit one branch and expect all the apples from the tree to fall at the same time. That is a great start, but I feel there is a place for improvement.

Ms. Julie Dzerowicz: I really appreciate that and thank you for your testimony. With all heart, I really do hope that things are resolved between the union and the management at Pacific Gateway Hotel.

I'm going to move on to Ms. Bourbonnais-MacDonald.

You've raised a number of really great issues about wages. I don't know if you have a specific recommendation here, because I don't necessarily know if the government can step in to make sure everybody gets paid a certain amount of money. I want to know if you have a specific recommendation on that. That's one part of my question.

Second, we've made a number of investments in immigration in our budget. We know that we have a declining population and we know that we have a retiring population. I wonder to what extent you believe that some of the changes we have implemented, which provide some flexibility to allow more of the talent we need in the country, might be helpful in fulfilling the need, moving forward, regarding child care.

Ms. Céline Bourbonnais-MacDonald: Those are very good questions.

To the first one, the area of research that I look at for policy is grassroots in the sense that it is being made and constructed by those who are most directly impacted. We can think of early years educators. If I had a focus group that was talking about wages, what would be the message? Basically, the message from the London-Middlesex area is very much to take a grid approach, and that conversation, I believe, can be done across the country. Again, that can be part of the key principles within a national system that reflects the needs from Newfoundland to the Northwest Territories to Vancouver, so that we have, as a country, an overview of what that grid could look like, obviously depending on each province and territory's perspective.

The other side is immigration. The issue is that as a globe we're facing the same situation in countries that have very similar ways of forming and training early childhood educators. New Zealand is in exactly the same situation. Ireland is in the same situation. For us to draw from across the globe does create issues. It means that we need to have programs here to help train if we bring—

The Chair: We'll have to move on.

I'd like to give two minutes to Mr. Ste-Marie and Mr. Julian, and then give Mr. Kelly and Ms. Koutrakis about five minutes each.

You have two minutes, Gabriel, if you could, please.

• (1340)

[*Translation*]

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

Mr. Côté, in your presentation, you mentioned that the government was extending support programs, such as the Canada emergency wage subsidy and the Canada emergency rent subsidy, but reducing the rates. The Canada emergency wage subsidy includes support to hire workers. However, the rates are decreasing.

Could you comment on the extension of these measures with reduced rates? Could you repeat your criticisms of the rent support and what should be changed?

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

To a degree, the extension is still very well received, because the pandemic is not actually over. Restrictions are still in effect, especially for non-essential businesses. You have to understand that retail is not a uniform industry. The challenges facing some sectors are greater than for others.

Flexibility will always be a challenge. We are asking for flexibility in reducing the rates rather than a mathematical calculation, as it is in the budget. Certain retail sectors or other economic sectors are experiencing problems, so it is important to keep the programs going a little longer.

In addition, we must always keep in mind that support for hiring is an excellent initiative. Nevertheless, Quebec and certain regions of Canada will have to deal with a labour shortage. There may be a shortage of employees as, with the reopening of restaurants, some restaurant employees who came to work in the retail sector will return to their first loves. Retailers will be faced with a fairly dynamic challenge as they must fill their stores and keep their businesses going.

Mr. Gabriel Ste-Marie: Thank you.

[*English*]

The Chair: I'm sorry. We'll have to end it there. Thank you, both.

Mr. Julian, go ahead for two and a half minutes.

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

I'm going to come back to Ms. Travis, Ms. Cardona and Ms. Dhillon.

Ms. Dzerowicz, who's a good friend, asked a very disingenuous question about the amounts in federal subsidies that have gone to Pacific Gateway, because she knows full well that the federal government has refused categorically to release the amounts. Mr. Trudeau has been keeping those amounts secret. I wrote to the finance minister in January—January 5 actually—and have still not received a response to that.

Given that it's your taxes that paid for these subsidies that are going to the CEOs and are being, in some cases, misused, do you not believe that the government should be transparent and let Canadians know how much of the subsidies have gone to these companies so that we can compare whether there have been layoffs, whether there has been respect for the collective agreement or whether the amounts have been used for dividends and executive bonuses? Isn't that transparency important?

Ms. Michelle Travis: Yes, the transparency is critical to understanding who accesses the program, how much they're receiving from the program and how long they used the program. The only way we find out any information about how much is used is through public companies that have to put that information into their corporate filings.

For example, I mentioned the Sheraton Ottawa. They fired 70 out of their 85 workers. We note through a public filing that the owner pulled \$500,000 from the wage subsidy program. They just eliminated the full staff. There's another hotel that they're using it for too, but still that's a lot of money for two hotels and I think the bulk of it was for this one. That's a problem. We don't know how much the owners from the Pacific Gateway pulled out of the program. We don't know how much was pulled for the Hilton Metrotown. The transparency is critical, but we also think rules and conditions on any sort of public funding are critical too.

Again, look across the border. They've been very imperfect in the way in which public money has been given out, but they have done a little bit of a better job in terms of having some transparency about how much money has been pulled out of the government. You get a sense of whether that money has actually reached workers. That's helpful to know.

Frankly, there are a lot of programs that are out there at the federal level, and we don't know which companies are tapping them, like the HASCAP program. Which companies are getting low-interest, fully backed loans from the government and how much are they getting? That's information that the public should know because the government's absorbing the risk and, again, these are employers, some of whom are eliminating their entire staff.

We're not talking about small mom-and-pops a lot of times. We're talking about wealthy investors, real estate developers and major private corporations who are very sophisticated and they're real estate owners. The hotel industry is a real estate industry and these are valuable assets. You have to have deep pockets to buy a hotel, and I think it's a little bit of a misconception to think these are just small operators.

• (1345)

The Chair: We're going to have to end it there. We're considerably over.

We'll go to Mr. Kelly, for five minutes, followed by Ms. Koutrakis.

Mr. Pat Kelly: Thank you, Mr. Chair.

Maybe I'll bring Ms. Dhillon back into this and get her views on some questions similar to those that were put to Ms. Cardona.

Ms. Dhillon, you said you worked for 17 years and now you are out of work. Are you on employment insurance, or do you have any support whatsoever for yourself and your family during this time of unemployment?

Ms. Kiranjit Dhillon: Yes, I've been working for the Pacific Gateway Hotel for 17 years, and I am on EI right now.

How long can we survive with EI? We need our jobs back, and that's why we are fighting to get our jobs back.

Mr. Pat Kelly: The stated purpose of the wage subsidy.... It's a purpose and a goal shared, I think, by all Canadians. Certainly, it's a purpose and a goal that I share. It is to keep employees engaged with their employer during a time of shutdown due to COVID.

Is it fair to say this program has not helped you?

Ms. Kiranjit Dhillon: When COVID started last March, Mr. Trudeau said nobody will lose their jobs because of the pandemic. He was reassuring everybody, but now so many people like us are losing our jobs. Yes, we're getting help, with EI or whatever else. We are on EI right now.

I think the owner should make some agreements with us, so that as soon as the business is back, he can call us back.

Mr. Pat Kelly: Is your hotel shut down?

Ms. Kiranjit Dhillon: No

Mr. Pat Kelly: In the hotel business, it's one of the fortunate ones that now has quite a lucrative business in being selected as a quarantine hotel.

Ms. Kiranjit Dhillon: It's a quarantine hotel, yes, and it is making more money than in normal times because the government is paying him more than a million dollars, but I don't think he wants to open yet.

Mr. Pat Kelly: I'm going to go back to Ms. Travis, for a quick moment, about the whole notion that she mentioned in the last round about transparency.

Canadians want to see those who cannot work and whose businesses have been closed due to the pandemic to be supported. It's the right thing, when governments shut down a business to ensure that people are supported, but when Canadians think that money is being misspent, or that money is going out the door and failing to reach those who are being targeted by these programs, they get very upset.

Can you talk about the need for transparency for these programs?

Ms. Michelle Travis: I agree. Transparency is critical. This is public money being given to employers to subsidize the business to keep workers attached to their jobs, and that isn't happening. If we don't know how much they've received and if we don't know how many workers have actually been covered under the program, how much of their pre-COVID staff have been retained or furloughed and put on the program.... We have no idea.

When we ask employers to tell us about the wage subsidy program, they say, "We don't have to tell you that information." That's very challenging. Given that the stated purpose of the program was to keep workers attached to their jobs, frankly, we don't see that happening.

Rarely do we hear of employers that have used it cover their entire staff, and that's a problem. We're concerned that the federal hiring subsidy is going to be more of the same. Will there be any conditions on the program? Will we know who has used the program or how much they received? How many of their workers who were laid off because of the pandemic are they bringing back by using this subsidy, before they look elsewhere?

• (1350)

The Chair: You have a last question, Pat.

Mr. Pat Kelly: Monsieur Côté, we heard testimony at the finance committee about indebtedness within the small business community.

Not all of your members are small businesses but many of them are. Do you want to comment on the level of indebtedness, and how, for small businesses, the debt that they've had to take on to get through this pandemic may threaten recovery?

Can you talk about debt?

Mr. Jean-Guy Côté: I don't have specific numbers on the indebtedness of the small and medium-sized businesses that I have in the association, but what I know is that some of them are in pretty bad shape right now. It's going to impair their capacity to rebound after the pandemic, and some are on hold because of this. Since the interest rates are not fixed for the next few months, there are some concerns about what's going on and what's going to happen.

Mr. Pat Kelly: Thank you.

The Chair: Thank you, Pat.

We'll turn to Annie Koutrakis.

We will probably have time for one question if you want one, Ed—and maybe Mr. Fraser.

Okay, Annie, you have five minutes.

[*Translation*]

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

My thanks to all the witnesses for their presentations and their comments this afternoon.

Mr. Côté, I would first like to go back to Mr. Kelly's question. As we know, one of the funding programs for small businesses in Canada helps to obtain loans from financial institutions. I am sure that some of your members can use that program.

First, how does that program help the retailers you represent?

Second, in your opinion, how will the improved program be better for the retailers?

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

I have no specific data on the reaction of retailers to that program in particular. However, I can tell you that access to capital often depends on the field of expertise of the retailers or the industry of which they are part. Some retailers in some sectors have better chances to obtain funding. We have also observed funding trends at retail level. Currently, there is a lot of electronic commerce, so it is a little easier to obtain funding for e-commerce than it was before.

Although we have seen an increase in online purchases during the pandemic, we still foresee a return to brick-and-mortar businesses after the pandemic. So we must make sure that the retailers who have adopted an omnichannel strategy—meaning those that can provide both online and in-person services—have access to appropriate funding. That could be a helpful change to the program for small and medium-size businesses.

Ms. Annie Koutrakis: Have your members ever told you whether the current programs have helped them during the pandemic?

Mr. Jean-Guy Côté: Currently, our members are telling me that the wage subsidy and rent subsidy programs have been very well received. They have helped them through the many waves of lockdowns we have experienced, especially in the case of small and medium-sized businesses.

It's critical to keep employees, because retailers don't want to lose their expertise. The wage subsidies have allowed some employees to be kept on the payroll, especially for small and medium-sized retailers. They don't want to lose their sales staff or their information technology experts who have been with them for years.

Ms. Annie Koutrakis: Finally, how can introducing assistance for small and medium-sized businesses to move to digital assist the retailers that your organization represents?

• (1355)

Mr. Jean-Guy Côté: Some years ago, we implemented a pilot project to help small and medium-sized retailers make the digital

shift. It was taken up more widely and supported by the governments of Canada and Quebec.

It's a question of helping retailers who know little or nothing about where to start that digital shift. We have to understand that some of them can only spend a small amount of time on it, out of all the time that they spend on their operations. Having assistance and advice can therefore help them move more quickly to that method of sales.

Ms. Annie Koutrakis: Thank you.

[*English*]

I have no further questions, Mr. Chair. I'm willing to share my time.

The Chair: Go ahead, Annie. What did...? I lost you.

Ms. Annie Koutrakis: I said that I have no further questions and I'm willing.... I'm a good sharer, if anybody wants to take up some of my time.

The Chair: I'll just take your time for a minute, because I have a question for Ms. Travis. Then we'll go to one question from Mr. Fast and one from Mr. Fraser.

With regard to this problem at the Pacific Gateway Hotel, Ms. Travis, the wage subsidy can only be claimed if it has paid employees. The application has to be submitted to the CRA to get the wage subsidy. There would have to be a record. They do actually have to pay an employee in order to get the wage subsidy, and apply through the CRA.

What's your comment on that? Is that happening? Are they paying other employees and getting the wage subsidy? What's going on here? Do you know?

Ms. Michelle Travis: We know that they didn't use it for the workers who were laid off before they were fired. We know that.

In terms of information about who they did use it for, I can make an assumption, but we don't know because they haven't told us. They could have used it for management or they could have used it for the skeleton crew that they have immediately on staff, but we just don't know.

We know that there are two owners, and both of them appear on the CEWS registry. We don't have any other details about when they used it, how long they used it or who they used it for. We've requested the information. We haven't gotten a response. We do know there are a lot of workers who didn't benefit from the program. They didn't put them on as furloughed workers.

The Chair: Thank you.

We'll go to Mr. Fast and then Mr. Fraser to close.

Ed, you have one question.

Hon. Ed Fast: Thanks so much, Chair.

I'm going to stick with Ms. Travis. Just for clarity, in the Pacific Gateway Hotel firings, how many employees were actually fired or laid off?

Ms. Michelle Travis: Over 140 were fired in recent weeks.

Hon. Ed Fast: Obviously the hotel is still operating, so there are employees, whether through a contract or otherwise, working in the hotel. Am I correct?

Ms. Michelle Travis: That's right.

Hon. Ed Fast: Are they working for the same wages that your members would have been working for, or are these lower wages? Do you know?

Ms. Michelle Travis: That's a good question. We don't know that. Again, the Red Cross is in there. We don't know what they're paying them. Again, you'd have to verify this, but we did hear that they sought employees from the street and trained them to do some of the work that our members would be doing, and that they've also hired a cleaning company. Again, we don't know what they're paying them.

Hon. Ed Fast: Okay.

The Chair: Thank you.

Okay, Ed, you can ask one more.

Hon. Ed Fast: One more, one more.

You mentioned that the CEWS program has been a bit of a disaster when it comes to putting in safeguards that would prevent what happened at Pacific Gateway and other hotels. Have you seen any safeguards implemented with respect to the new hiring subsidy program, or is the government simply repeating the mistakes it made with CEWS?

Ms. Michelle Travis: I think it's too early to tell, because it's a proposed program. I don't know if they've issued all the rules. The only thing we've seen so far in a write-up about the program—it's not supposed to go into effect until after the budget passes, so maybe it starts in June—is that it's only supposed to be used by Canadian-based private companies. Other than that, it's not clear to us what conditions or restrictions would be built into the program to avoid some of the abuses we saw under the wage subsidy program. These abuses continue.

Hon. Ed Fast: Thank you.

The Chair: That program is actually in the bill we're discussing, the budget implementation act, so it isn't out there yet.

Mr. Fraser, you'll get to wrap it up.

• (1400)

Mr. Sean Fraser: I'll be very quick with my question. It's for Ms. Pihlak.

I really enjoyed your testimony on the issue of child care. I'll pick up where my colleague Mr. Falk left off, on the issue of choice in child care.

I live in a rural community. I have a mix of small towns and really rural areas. For some people, the issue is whether they can afford it, and programs like the Canada child benefit are a big help. However, in communities like the one where I grew up, Merigomish, there isn't a child care facility. You might have a neighbour who can help you out, but you're not going to a registered facility.

I'm curious. Can you elaborate on your explanation that the vision for a national child care strategy is to extend universal access to affordable child care, whether you live in a big city, a small town or a rural community? Can you explain in a little more detail what you meant when you said, "For a lot of people right now, there is no choice."

Ms. Kara Pihlak: Yes, and I'd just like to reply to an earlier comment that perhaps a neighbour or a family member could watch the child. That's a privilege for a chosen few. There are single mothers and there are people of colour who do not have the option to have quality child care. This is a public program. We're taking away personal responsibility. Child care is a right. A child has a right to quality early childhood education, from zero until they're 18. I'm just going to say that off the top.

However, "choice" means that we will fund small home day cares and we will fund large day cares. We will fund child care across the country, from my centre to a centre in Newfoundland, a centre in Saskatchewan and a centre in Manitoba. Regardless of the colour of the parents' skin, the amount of money the parents make or whether the child lives in a single-parent home, no child will be left behind.

I'm passionate about each child having a right to the program, whether or not parents are privileged enough to have someone in the neighbourhood to watch their child.

Mr. Sean Fraser: Thank you so much for the question, Mr. Chair. I think that brings us to the end.

The Chair: It does, and certainly we've had an interesting panel here. We've had some great testimony and a few exchanges between members, which is not altogether unusual, and that wraps up I don't know how many panels we've had this week.

On behalf of the committee, I want to thank all the witnesses for coming, for taking the time out of their day to make their presentations and for answering our questions.

There is no finance committee meeting tomorrow. I know that everybody on the committee will be glad.

Thank you all. With that, I wish you all the best.

The meeting is adjourned.

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