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# Standing Committee on Finance

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Chair: Mr. Peter Fonseca





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• (1535)

[English]

**The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)):** I call this meeting to order.

Welcome to meeting number 139 of the House of Commons Standing Committee on Finance. Pursuant to the order of reference of Monday, March 18, 2024, and the motion adopted on Monday, December 11, 2023, the committee is meeting to discuss Bill C-59, an act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023, and certain provisions of the budget tabled in Parliament on March 28, 2023.

Today's meeting is taking place in a hybrid format pursuant to Standing Order 15.1. Members are attending in person in the room and remotely using the Zoom application.

I would like to make a few comments for the benefit of members and witnesses.

Although this room is equipped with a powerful audio system, feedback events can occur. These can be extremely harmful to the interpreters and can cause serious injuries. The most common cause of sound feedback is an earpiece worn too close to the microphone. We therefore ask all participants to exercise a high degree of caution when handling the earpieces, especially when your microphone or your neighbour's microphone is turned on. In order to prevent incidents and safeguard the hearing health of our interpreters, I invite participants to ensure that they speak into the microphone into which their headset is plugged and to avoid manipulating the earbuds by placing them on the table away from the microphone when they are not in use.

I remind everyone that all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as best we can. We appreciate your patience and understanding in this regard.

All virtual witnesses have been tested. Everybody is ready to go.

With us today we have Dr. Paul Allison, who is from McGill in Montreal. He will be with us to answer questions.

From the Canadian Federation of Independent Business, we have the president and chief executive officer, Mr. Daniel Kelly, via video conference.

Welcome.

We are going to start with Dr. Paul Allison for his five-minute opening statement.

**Mr. Paul Allison (Doctor, As an Individual):** Thank you very much.

My name is Paul Allison. I'm a professor at the Faculty of Dental Medicine and Oral Health Sciences at McGill University. Thank you very much for the invitation to present to this committee and to respond to your questions on the important topic of oral health and the introduction of the Canadian dental care plan.

Why is this issue so important? Dental decay is the most common non-communicable disease in the world. It is caused by sugar, and it's completely preventable. It results in pain, infection and thousands of people visiting hospital emergency rooms every year and taking time off work and time off school. It is the most common reason that young children in Canada need to have general anaesthetic.

As with many diseases, the poorest and most marginalized Canadians have much more dental decay than wealthier Canadians. At the same time, the poorest and most marginalized Canadians often have no dental insurance and cannot afford dental care.

This is why the CDCP is so important. There are many Canadians with oral diseases who cannot afford oral health care even when they are in pain. My example was dental decay, but gum disease is also very common. Many Canadians have missing teeth, affecting their ability to eat, to smile, to socialize and to work. On top of this, many seniors in long-term care centres who are unable to clean their mouths are at risk of catching pneumonia and dying because of accumulated dirt in their mouths. Also, rates of cancer of the mouth and throat are increasing in Canada.

Oral health is health. Oral health care is health care. It is very important that we put the mouth back in the body and reverse this historical anachronism. The CDCP is an excellent first step in this direction.

Among OECD countries, Canada has nearly the lowest level of publicly funded dental care, even lower than our neighbours to the south. The WHO recently published its global oral health action plan, stating, among other things, that countries should “integrate oral health care” in universal health care. Canada is now moving in that direction.

How can the CDCP help Canadians? It means that the poorest and most marginalized Canadians can obtain a good range of oral health care. It means that young kids can obtain timely care to prevent dental decay and not be subject to general anaesthetic. It means that seniors living in long-term care centres can be more easily visited by an oral health professional to have their mouths cleaned. It means that people at risk of mouth and throat cancer can be seen more regularly by health professionals who are experts in caring for the mouth so they can be diagnosed and treated earlier.

However, there are limits to the CDCP. While cost is the largest barrier to dental care, it is not the only one. The CDCP is an excellent first step in addressing cost, but it does not deal with other barriers. For instance, many seniors living in long-term care centres have limited mobility, and providing dental clinics and/or mobile dental care in those centres is important.

People with a broad range of disabilities have difficulty accessing dental care services that can accommodate their wheelchair, their hearing problem, their communication problem or their multiple other health issues, making their dental care complex. Also, many people live in rural and remote areas with no dental services and need both mobile dental care and teledentistry services, and care integrated with the other health services they receive.

Oral diseases have the same causes and occur in the same people who have a range of other chronic diseases, such as diabetes, heart disease, asthma, arthritis, cancer and dementia. These people often access community health centres for a range of health and social services. Dental care needs to be integrated in these community centres on a large scale.

An unfortunate unintended consequence of the CDCP has to do with university and college clinics, where dentists, dental hygienists and denturists are trained. They used to be primary sites for dental care for people who had problems accessing dental care, but the CDCP will mean that many of them will be able to access that care more quickly in private offices. The CDCP is inadvertently depriving future oral health care professionals of essential training opportunities. This issue needs to be urgently addressed.

What needs to be done to address the non-cost barriers?

We need to better integrate dental care with health care in community health centres, long-term care settings and hospitals. We need to better train oral professionals to care for people with more complex oral health care needs and to provide a broader range of services using modern technology in a broader range of settings.

• (1540)

We need to recognize that caring for a person with, for instance, Alzheimer's disease is more complicated and takes more time than does caring for a healthy adult. Alternative, additional compensa-

tion models for the professionals providing those services need to be developed.

We need to use the data that Statistics Canada is collecting to evaluate the new CDCP services so we can adjust them as needed. We also need to better integrate the university and college dental training programs into CDCP-related activities so they can train personnel appropriately in a range of settings and develop tests and evaluate programs to address the non-financial barriers to dental care that I have outlined.

Thank you very much.

**The Chair:** Thank you, Dr. Allison. There will be a lot of time for members' questions.

Now we're going to hear from the Canadian Federation of Independent Business.

Mr. Kelly, go ahead, please.

**Mr. Daniel Kelly (President and Chief Executive Officer, Canadian Federation of Independent Business):** Thank you so much, Chair.

It is good to be with you all. I am coming to you from Calgary today.

I was in Ottawa earlier this week, so budgets are fresh on my mind. I was there to review the provisions of the 2024 budget. It's been a busy week for you and for me on that front.

Small and medium-sized businesses that are members of the Canadian Federation of Independent Business remain at this moment very fragile. There are lots of concerns, lots of worries about the months ahead. Many businesses have been hanging on by a thread over the last several months, and sadly it would take very little to push them over.

I think we should all pay very close attention to what's happening with respect to both business closures and business start-ups right now. We have a huge number of business closures, up dramatically from previous years, and we have had, over several months, for the first time in recorded history, more businesses closing than businesses opening. That is a very worrisome trend across Canada.

In recent days, some of our data at CFIB has shown a little glimmer of hope on the horizon. The potential of lower interest rates may provide some help to small and medium-sized companies. However, we also have to put that in the context of what's happened over the course of the past few months considering there have been four federal tax increases since January 1—an increase in Canada pension plan premiums, an increase in employment insurance premiums, a significant increase in the carbon tax on April 1 and a more modest increase, but an increase nonetheless, on liquor taxes across Canada.

With respect to the substance of the piece of legislation, Bill C-59, there are three big categories we've paid attention to. One of them is intergenerational business transfers. Another is employee ownership trusts, and the third is amendments to the Competition Act. On all three of these files, the legislation does, I think, move the ball forward.

We are pleased that the legislative changes being proposed for the intergenerational business transfers don't seem to dramatically veer from the intent of the private member's bill that was adopted by the House of Commons, so that is a good thing. However, we do worry that there may be a lot of administrative procedures gumming up the works. Some tax experts have told us that there are going to be 12 different tests to determine the legitimacy of an intergenerational business transfer. I worry about the red tape and paperwork we are creating through that process, recognizing that we want to make sure that these are valid transfers nonetheless.

On employee ownership trusts, there has been some positive momentum, in both the subject of Bill C-59 and this week's budget. We are particularly encouraged by the allocation of a capital gains exemption of up to \$10 million with respect to transferring a business. That's not in this legislation, but I imagine it will be in the implementation of the current budget, and that is good news. We think this is a good pathway for small and medium-sized firms and we are pleased to see this moving forward.

Also, there are some good amendments to the Competition Act. Canada has fairly weak competition laws, generally speaking. Small firms really do need strong competition law to prevent the creation of monopolies and oligopolies, and we support some of the amendments that have been proposed.

I'll leave it there. I suspect I may get a question or two about the 2024 budget. I am happy to take any of your questions on this or on the previous one.

• (1545)

**The Chair:** Thank you, Mr. Kelly. I'm sure there will be many questions.

We are moving to members' questions right now. It will be six minutes for each party in this first round.

I understand that MP Ellis will be asking questions for the first six minutes.

MP Ellis.

**Mr. Stephen Ellis (Cumberland—Colchester, CPC):** Thank you very much, Mr. Chair.

Thank you to the witnesses for being here.

Dr. Allison, you talked a bit about the Canadian dental care program, which is going to cost Canadians billions of dollars, of course. How many Canadian children currently have access to provincial and/or territorial dental plans?

**Mr. Paul Allison:** It varies enormously across the provinces and territories. For instance, in Quebec, where I work, children up to their 10th birthday have access to dental care, but across the other provinces, it varies a lot.

**Mr. Stephen Ellis:** It's P.E.I., Nunavut, Newfoundland, Quebec, Nova Scotia and the Yukon that have children's programs.

That being said, Dr. Allison, do you know how many dentists have signed up for the Canadian dental care program at the current time?

**Mr. Paul Allison:** I don't know. I read in the media that it's approximately 5,000.

**Mr. Stephen Ellis:** Specifically with regard to Nova Scotia, New Brunswick and P.E.I., Dr. Allison, do you know those numbers at all?

**Mr. Paul Allison:** I do not.

**Mr. Stephen Ellis:** That would be eight out of 1,170 dentists.

Were you aware of that number, sir?

**Mr. Paul Allison:** I was not.

**Mr. Stephen Ellis:** Dr. Allison, are you still a practising dentist?

**Mr. Paul Allison:** I am not.

**Mr. Stephen Ellis:** Could you give any thoughts, in spite of the fact that you're not practising, as to why a dentist might not sign up for the Canadian dental care program?

**Mr. Paul Allison:** Well, I believe that it's a very large change in the dental care practice in the country. Dentists, dental hygienists and denturists have been used to dealing with private dental insurance primarily, and now they'll have to deal with the federal government through this. That's a very large change in the way they're dealing with things. I think anytime there's a significant change, any group of people will be cautious. They want to know the details. It's quite understandable that they're hesitant to sign up until they understand the details of the program fully.

**Mr. Stephen Ellis:** Thank you very much for that.

Dr. Allison, do you know how many dentists were consulted before the Canadian dental care program was created?

**Mr. Paul Allison:** I do not.

**Mr. Stephen Ellis:** That would be a zero, actually.

You talked a bit about a new program, but doesn't this new idea create a different relationship between the dentist and the patient? Primarily, we would expect the relationship to be between a primary health provider, like a dentist, and the patient. My understanding from speaking to all the dental associations across this country is that now that relationship would be between the dentist and the federal government.

Do you understand that to be true as well, sir?

• (1550)

**Mr. Paul Allison:** I don't understand that to be true. As far as I can understand, there's always a three-way relationship. There's the patient, the dentist or dental provider, and the insurance company, assuming there's an insurance company involved. Now, instead of the insurance company, there will be a government involved.

There is sometimes a third party involved in the situation.

**Mr. Stephen Ellis:** Dr. Allison, have you talked to any dentists about this program?

**Mr. Paul Allison:** I have.

**Mr. Stephen Ellis:** Have you talked to them specifically about this change in relationship? Have any of them brought up that concern to you? They've brought it up to me.

**Mr. Paul Allison:** They have not brought that concern to me, no.

**Mr. Stephen Ellis:** That's excellent. Thank you.

How much more time do I have, Mr. Chair?

**The Chair:** You have just over two minutes.

**Mr. Stephen Ellis:** Okay, that's great.

Dr. Allison, do you know how many Canadians don't have access to a primary care provider in Canada?

**Mr. Paul Allison:** Are you referring to a primary dental care provider?

**Mr. Stephen Ellis:** No, I mean a primary health care provider. Let's say a family doctor.

**Mr. Paul Allison:** I don't know.

**Mr. Stephen Ellis:** It's 6.5 million Canadians.

When we look at this idea that has come forward and hear that a multitude of Canadian dentists are refusing to sign up for this program.... There are 26,500 dentists in Canada. The research that I did myself last week indicates that 400 out of 4,000 dentists are signing up for the program in British Columbia.

Does that indicate to you that there's a significant problem here, sir?

**Mr. Paul Allison:** It indicates that there are lots of people who are cautious to sign up, yes.

**Mr. Stephen Ellis:** I'm sorry, sir. That wasn't exactly the question I asked, so maybe I'll try again.

Do you think there's a significant problem with the Canadian dental care program, as dentists are not signing up for it?

**Mr. Paul Allison:** If they need to sign up for it—apparently they do not need to sign up for it—then I don't see that it's a problem.

**Mr. Stephen Ellis:** Certainly, there may be changes to come, but the changes have not happened. I don't want to call your integrity into question; that's not what I'm doing, but if you're suggesting that things have changed when they have not yet changed, that's not entirely true, is it, sir?

**Mr. Paul Allison:** Well, what I read in a communication that was sent out, from my understanding, by Health Canada yesterday indicated that dentists would no longer need to sign up for the program.

**Mr. Stephen Ellis:** Sir, could you provide the date on which that is touted to happen?

**Mr. Paul Allison:** I'm sorry. I don't understand.

**Mr. Stephen Ellis:** I mean the date on which dentists will no longer have to sign up for this program.

**Mr. Paul Allison:** I don't know. I understood the communication—

**The Chair:** That's the time, MP Ellis.

**Mr. Stephen Ellis:** It's July.

Thank you.

**The Chair:** We're going to you, MP Thompson. I understand that you'll be sharing your time with MP Baker.

**Ms. Joanne Thompson (St. John's East, Lib.):** I will be. Thank you.

I want to clarify for the record that Newfoundland and Labrador, my province, does have a dental program for children, but it's certainly nowhere near the scope that's needed. There's a huge gap there.

Dr. Allison, earlier today, we heard from someone from the Canadian Society for Disability and Oral Health. She recommended that dental care—oral care, health care—for disabled persons become a specialty as a way to break down the barriers the disabled population is encountering.

You referenced integrated care and specialized dental care in your opening remarks. I drew from that in my language that it's the places where people reside, whether it's long-term care for seniors or community health centres in particular. That then lends itself to a primary health care model, where there's an integrated multidisciplinary approach.

Why, in 2024, are we still struggling with the integration of oral health care into primary health care? How do we bring the medical schools and the dental schools forward so that we truly see this as wraparound primary essential care?

• (1555)

**Mr. Paul Allison:** As I referred to in my opening remarks, we have this unfortunate anachronism where we have separate doctors for the mouth compared to the rest of the body, and that's reflected in all elements of training and service delivery. Canada is not the only country doing this, as I'm sure you're aware. It's the model pretty much everywhere in the world.

In my view, that's an unfortunate model, and we should be bringing oral health care professionals into the primary health care team on a very large scale. There's no difference between the causes of dental decay and the causes of many other chronic diseases. It's just about how they manifest. I think it's very relevant to have oral health care professionals in primary health care teams, and in a range of settings, as I said.

Getting back to issues around people with disabilities, clearly we need models where people who care for the mouths of those people go to them, because often they have great difficulty getting into private offices. They can also come to a local hospital or a local community health centre setting, and the oral health care professionals can go there. I think on many fronts, for people with complex diseases, young kids and many other people, going to the community health centre and getting oral health care there would be the best model.

**Ms. Joanne Thompson:** Thank you.

I will give the rest of my time to MP Baker.

**Mr. Yvan Baker (Etobicoke Centre, Lib.):** Thanks very much.

Chair, how much time do I have?

**The Chair:** You have three minutes.

**Mr. Yvan Baker:** I would like to turn to Mr. Kelly, if I could.

Mr. Kelly, first of all, given that the 2024 budget was just released this week, I must thank you for your advocacy on the Canada carbon rebates for SMEs. I understand that you worked closely with the government on this aspect.

The rebate for SMEs is an accelerated return process to provide direct refunds to small and medium-sized businesses. Can you speak to this and to your views on the government broadening its eligibility rules?

**Mr. Daniel Kelly:** It is very good news that after five long years of waiting, small and medium-sized firms are going to see government make good on its commitments to rebate a small portion of carbon tax revenues to SMEs. We at CFIB estimate that businesses in general pay 40% of the cost of the carbon tax, but to date they've received almost none of the revenue back. Also, the \$2.5 billion that has been sitting on the books of the Government of Canada obviously prevents the government from making a credible case that the tax is in fact revenue-neutral. It is really good news that the government is intending—I hope—to give that money back to small businesses later this year.

The breakthrough was significantly expanding the eligibility rules. Under the previous scenario proposed by government and planned for over the course of the past five years, the intention was to give the money back to only emissions-intensive, trade-exposed businesses. Government documents suggest that might have been

only about 20,000 businesses. With the change that has been made, 600,000 small and medium-sized businesses will be getting back a portion of the carbon tax revenue. That is certainly good news.

We don't yet know the dollar amount, so we're waiting. There are a whole host of details that need to come back, but this is positive and we have received it as such with the 2024 budget package.

**Mr. Yvan Baker:** I think I have about a minute left.

Sticking to the topic of the budget, you said recently that most small business owners will come out ahead or be unaffected by the capital gains changes in budget 2024. Can you explain the rationale for that point of view?

**Mr. Daniel Kelly:** Small businesses look at capital gains from two perspectives. Primarily our members—small and medium-sized companies—look at the capital gains treatment when they sell their businesses. Most small business owners count on the sale price of their businesses to fund their own retirement. They don't have pension plans as other Canadians might.

On that front, it is very good news that the lifetime capital gains exemption will rise from \$1 million to \$1.25 million. We are also encouraged by the new Canadian entrepreneurs' incentive, which will provide, over a 10-year period, up to \$2 million at a lower capital gains treatment than there was before. We think those two measures are positive.

There are a bunch of exceptions to this. I have to tell you that the Canadian entrepreneurs' incentive is going to be an incredibly divisive policy, because we estimate that about half of Canada's small businesses, given what the government has proposed, would be ineligible for that additional \$2 million. We are quite worried about that.

The other capital gains treatment, though, involves capital gains within the corporation itself, and all of that will now be taxed at 67%. We're hearing from small and medium-sized businesses about their significant worries over the increase in capital gains and where it comes in. There's no keeping \$250,000 at 50% for corporations. That's all going to be taxed at 67% now, and that is a big worry for a lot of small businesses, particularly start-ups and technology firms.

• (1600)

**The Chair:** Thank you.

MP Trudel, go ahead.

[*Translation*]

**Mr. Denis Trudel (Longueuil—Saint-Hubert, BQ):** Thank you, Mr. Chair.

I would like to turn to you, Mr. Kelly. We will continue along the same lines. Let's start with something more general.

Can you tell us whether the government's policy on SMEs and the industry is coherent? What big pieces are missing that could help SMEs in Quebec and Canada?

[English]

**Mr. Daniel Kelly:** No, I certainly don't. There have been some advancements, including in the 2024 budget, but sadly, there have been a host of government policies that set small businesses back.

I mentioned at the beginning of my commentary the four tax hikes we've seen just over the last four months. Those are not good for small and medium-sized firms. Small firms tend to be very payroll-intensive, and the increase in employment insurance premiums combined with the increase in CPP premiums creates big worries and takes a big bite out of the payroll budgets of every business across Canada.

Also, at the beginning of the year, we saw the Canada emergency business account deadline come and go. While many businesses were successfully able to repay the government by coming up with the \$40,000 to repay their CEBA loan—many did that—I think about a quarter of small businesses did that by borrowing from the bank. The government got its money back, but the businesses didn't get any of their debt relieved other than the \$20,000 forgivable portion. They still have that loan, and it is now at higher bank interest rates, which is a big worry.

Over the course of the past three years, the pandemic years, small firms were hit incredibly hard. Canada kept lockdowns in place for longer than almost any other jurisdiction in the entire world, so small firms in retail, hospitality, the service sector, arts and entertainment, travel and tourism were desperately weakened from the restrictions. Sadly, that damage—the debt that has been created and the lack of sales—has been a problem.

[Translation]

**Mr. Denis Trudel:** Right, let's talk about the Canadian Emergency Business Account, the CEBA, whose repayment deadline was never extended even though SMEs everywhere requested an extension. We in the Bloc Québécois pushed hard for an extension of the January 18 deadline. We exerted pressure. We asked questions in the House to make it happen. No extension was granted, however.

We know that SMEs are the entrepreneurial foundation in Quebec and Canada. They are essential. Based on certain reports, we expect there will be tens of thousands if not hundreds of thousands of bankruptcies.

Do you have any figures today that indicate what happened?

[English]

**Mr. Daniel Kelly:** We're starting to see the price of some of those policies and the lack of changes. We were, of course, very happy to have your party's support for an increase to the CEBA deadline. Unfortunately, that didn't happen. The consequences are significant. Right now we are seeing dramatically higher business bankruptcies—not just bankruptcies but also failures.

I will note something that often surprises people: For every one business that goes bankrupt, there are nine other businesses that just quietly close their doors. We believe bankruptcies represent, essentially, one in 10 business closures. Most businesses just find an orderly way to close their doors, pay their bills and cease operations. It's heartbreaking to see some of those businesses fail.

I will say that business failure is an accepted part of being an entrepreneur. Businesses fail in good times and in bad times with good government policies and bad government policies. However, we are seeing such a dramatic rise in business bankruptcies and, along with it, a reduction in the number of business start-ups. Those two things have not been seen together in the way they're happening right now—ever. We now have a net outflow of business owners. I worry the back-end damage of the CEBA loan program will push more over the edge. Businesses are not going to make it, not because they're not viable businesses but because they can't outrun their debt.

It is good news that there's going to be some money coming back from the carbon tax rebate. It's long overdue. That, of course, isn't going to be the case in Quebec or British Columbia, but it is the case in the eight other provinces. Also, we are hoping that some pieces of the capital gains changes that are positive will send a good message to some entrepreneurs. However, I worry about where we're headed in Canada. For small business owners, these are not easy days.

• (1605)

[Translation]

**Mr. Denis Trudel:** Thank you, Mr. Kelly.

Once again, Bill C-59 includes a reform of the intergenerational transfer rules for farms and businesses. We in the Bloc Québécois fought for a long time to make headway on this.

Can you tell us how this is really useful, important and helpful to business owners?

[English]

**Mr. Daniel Kelly:** The intergenerational transfers are very significant. We have a massive exit of business owners, but not because of business failures. The other demographic reality facing us as Canadians is the fact that many business owners are getting older.



Business owners often talk about their retirement in very different terms. My favourite story is about a farmer who was delighted that his dad finally showed him the books of the company, because he was the successor. The son in the story was 65. The dad shared the books of the operation so his son could take it over. This is a classic entrepreneurial story. Time runs out for business owners, and we have to make sure the succession from one generation to the next is made successful.

The reason these intergenerational transfer rules are so important is we want to make sure that when people transfer their businesses to their kids, people in their community or employees, there's a greater chance the business will stay in the community rather than be bought up by, perhaps, a big American company that would be buying it for its client list or product. The jobs often disappear after that.

[Translation]

**Mr. Denis Trudel:** Thank you very much, Mr. Kelly.

**The Chair:** Thank you, Mr. Trudel.

[English]

Now we have MP Davies.

**Mr. Don Davies (Vancouver Kingsway, NDP):** Thank you.

Dr. Allison, in a July 2023 editorial in the Canadian Journal of Public Health, you wrote the following:

...the [Canadian dental care plan] is an excellent and much-needed step forward in reducing the considerable inequalities in access to dental care in Canada, but there remain a number of important further steps to be taken to more fully address those inequalities as well as those in oral health and disease, including the possibility of making dental care part of Canada's universal coverage medical system.

What specific additional steps do you believe are necessary to further reduce inequalities in access to dental care, beyond the CD-CP?

**Mr. Paul Allison:** As I alluded to in my opening remarks and previous response, I think we need to create clinics and infrastructure in community health centres, long-term care centres and rural settings. We need to put the facilities that provide dental care, and the professionals, where the people are who need them.

At the moment, the model that works very well for most people is setting up a private office and having people come to it in the normal way. That works for most of us, and that's fine, but it doesn't work for lots of people, unfortunately, such as people with disabilities, people who are in rural and remote areas, very young kids, and seniors. They tend to be the poorest people and they tend to be the people with the highest level of disease, so we need to do that sort of thing moving forward.

Ultimately, in my opinion, we should be making oral health care part of the medical care system, as we do with all other parts of the body.

**Mr. Don Davies:** This is my last point. Is there any principled reason or difference in care, diagnosis or service that would differentiate oral care from the health care of any other part of the body?

**Mr. Paul Allison:** No.

**Mr. Don Davies:** Thank you.

The CDCP fees were initially set by the government at about 82% of provincial fee guides across the country. Now the provincial fee guides are set unilaterally by the provincial dental associations. Is that correct?

• (1610)

**Mr. Paul Allison:** Yes.

**Mr. Don Davies:** They set their own fees.

The 2024 CDCP fee guide has been amended to now approach about 88% of the provincial fee guides across the country. Were you aware of that?

**Mr. Paul Allison:** I was not, no.

**Mr. Don Davies:** Do you think the fees being under the provincial fee guides might be a reason the provincial dental associations have been recommending to their dentists that they not sign up for this program?

**Mr. Paul Allison:** I can imagine that is the case, but I don't know.

**Mr. Don Davies:** Okay.

Do you know how a rate of 88% of fee guides under the CD-CP—if in fact that's the average—compares to provincial public dental care plan fee guides?

**Mr. Paul Allison:** I think it compares well with a lot of those fee guides, yes.

**Mr. Don Davies:** I visited the University of Alberta's dental school. It's a fabulous facility, by the way. They told me they need patients, and they generally charge their patients some fees, sometimes just for the supplies that have to be used.

If they sign up for the CDCP, they can bill the CDCP, thereby providing themselves with patients and probably increased revenue. This is because at 88% of the fee guides, they'd be getting significantly more revenue than they're getting directly from the marginalized people who are paying them out of their pockets now.

Might that go some distance in allaying your concerns?

**Mr. Paul Allison:** That would definitely be helpful. However, as you will understand, the major problem is that when you come to any training situation, whether it's at a university, the dental schools or the colleges, the care takes a lot longer. If a person has the choice between going to a training institution to get their care for free or much cheaper and going to a private office and getting it done much more quickly, it would be understandable if they went to the private office. In our dental schools, we've begun to hear people say they are going to do that.

It's a major concern that we have. How that's going to play out at this stage, we are not quite sure, but we're already beginning to see that happen.

**Mr. Don Davies:** Right. That's definitely an issue we'll have to address. Certainly, it's been addressed in every other medical profession. Many other disciplines in medicine require practising on patients as part of the internship process.

To clear up a couple of inaccuracies, I'm going to read you a quote from the Canadian Dental Association. They confirmed at this morning's meeting that they've been extensively consulted on the CDCP. They said, "Over the past two years, CDA has been representing patients and the dental profession in conversations with Health Canada. CDA and the Provincial and Territorial Dental Associations (PTDAs) provided information on what is needed to ensure optimal oral health care for all Canadians."

Were you aware of that?

**Mr. Paul Allison:** I was.

**Mr. Don Davies:** Dental hygienists have also been extensively consulted by the government as part of their contribution to the CDCP. Were you aware of that?

**Mr. Paul Allison:** Yes.

**Mr. Don Davies:** Dentists like Dr. Cooney, Dr. Quinonez, Dr. James Taylor—who is Canada's dental officer—and Dr. Doucet have all been extensively consulted by the government. Were you aware of that consultation of dentists?

**Mr. Paul Allison:** I was.

**Mr. Don Davies:** You're also aware, as said by my colleague, that there's no requirement to sign up for the program. The first patients are only going to start going to the dentist in May, and dentists will be able to bill them on a claim-by-claim basis starting in July.

Are you aware of that?

**Mr. Paul Allison:** Yes.

**Mr. Don Davies:** Do you think the provincial associations are advising their dentists not to sign up for the program until more details are known, until the fees are raised or until their demands are met? Do you think that may be partially responsible for the lack of dentists signing up?

**Mr. Paul Allison:** I can imagine it is, yes.

**Mr. Don Davies:** Are you aware that when Tommy Douglas set up health care in Saskatchewan in the 1940s, the doctors in that province went on strike?

**Mr. Paul Allison:** I wasn't aware there was a strike, but I was aware there was a lot of resistance, yes.

**Mr. Don Davies:** It seems to be the case that when there's change like this, there's some resistance.

**The Chair:** MP Davies, that's the time.

I'm looking at the time. We'll have a truncated second round. It's going to be four minutes per party.

We're going to start with MP Hallan for those four minutes.

**Mr. Jasraj Singh Hallan (Calgary Forest Lawn, CPC):** Thanks, Chair.

Mr. Kelly, since I don't have much time, I would appreciate some short answers.

How much have your members received in carbon tax rebates today, after five years? I just need the dollar amount.

• (1615)

**Mr. Daniel Kelly:** I think \$31 million out of \$2.5 billion went back in the first bit of this. Basically, there's \$2.5 billion or \$2.6 billion sitting on the accounts of the Government of Canada.

**Mr. Jasraj Singh Hallan:** Does this disprove the Liberal government's claim of the carbon tax being revenue-neutral?

**Mr. Daniel Kelly:** There's no possible way you can claim the carbon tax is revenue-neutral while the Government of Canada is sitting on two and a half billion dollars owed to small businesses.

**Mr. Jasraj Singh Hallan:** Eighty-two per cent of small businesses are saying to scrap the carbon tax—axe the tax altogether. Will you advocate for those small businesses today and agree with them?

**Mr. Daniel Kelly:** Well, they speak for themselves.

My association brings their data forward to you. Today, you're absolutely right. Eighty-two per cent of small businesses across Canada, from our most recent member touchpoint, oppose the retail carbon tax as it exists today.

I will add that, just a year ago, only 52% opposed the carbon tax. One of the main reasons small firms have grown in their opposition to the carbon tax is that the government hasn't delivered on the rebates after promising them for five straight years.

**Mr. Jasraj Singh Hallan:** Mr. Kelly, you represent many members. Are you saying that you won't advocate for the same thing?

**Mr. Daniel Kelly:** I'm sorry. Our members' position right now—

**Mr. Jasraj Singh Hallan:** I meant your association's position, not your members' position. Do you—

**Mr. Daniel Kelly:** My association's position is my members' position.

**Mr. Jasraj Singh Hallan:** I just wanted to make that clear.

**Mr. Daniel Kelly:** I have no views other than those.

Our members' position—and mine—is that a strong majority of small firms advocate to get rid of the retail carbon tax.

**Mr. Jasraj Singh Hallan:** Thank you.

I'll turn it over to my colleague Dr. Ellis.

**Mr. Stephen Ellis:** Thank you very much.

Dr. Allison, I'll go back to the Canadian dental care program. My colleague just mentioned that the customary fees have increased from 82% to 88%, representing 6% of the budget of perhaps \$13 billion, which equates to 780 million more dollars for this botched program.

Are you aware of the concept of balanced billing?

**Mr. Paul Allison:** I am.

**Mr. Stephen Ellis:** Would you suggest that margins are quite wide open in dentistry, or are they very tight? Are costs for dentists very high these days?

**Mr. Paul Allison:** I'm not aware of that. I don't work in dental practice.

**Mr. Stephen Ellis:** Oh. Have you never talked to any dentists about their having difficulty paying their bills, or that their overhead might be 75% or 80% of their gross billings?

**Mr. Paul Allison:** I have had conversations with dentists about their practice. Some of them talk about how well it's going and others talk about how difficult it is.

**Mr. Stephen Ellis:** I'm sorry. Are you aware of the concept of balanced billing?

**Mr. Paul Allison:** I am.

**Mr. Stephen Ellis:** What would balanced billing be, in a few words?

**Mr. Paul Allison:** It's when the provider asks the patient to pay the balance over the insurance or third party payment.

**Mr. Stephen Ellis:** If you and I were in line at the coffee shop and I bought a coffee that was \$3.60 and asked you for the three dollars—or 60¢ even, if I'm being kind—that would be the same type of idea. Is that right?

**Mr. Paul Allison:** I'm not sure I understood. I'm sorry.

**Mr. Stephen Ellis:** Yes, of course.

That being said, some of your answers suggested that the associations were telling dentists not to sign up for this program. Can you tell the committee exactly which dental associations you spoke to that told members not to sign up?

**Mr. Paul Allison:** I didn't say that.

**Mr. Stephen Ellis:** Okay. Well, I think we'll have to check the record on that. It was very clear that you answered in the affirmative when my colleague suggested to you that associations were telling dentists not to sign up for this program, which I believe is categorically untrue.

That being said, the concept of balanced billing would mean that the amount not covered by the plan would have to be funded by the patient. Is that correct, sir?

**Mr. Paul Allison:** I guess so, yes.

**Mr. Stephen Ellis:** Yes, so—

**The Chair:** MP Ellis, that's your time.

We are up to MP Weiler now, please, for four minutes.

**Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.):** Thank you, Mr. Chair.

I want to thank Dr. Allison and Mr. Kelly for their testimony already.

The biggest issue I'm hearing from small businesses in my riding, particularly in Whistler, Squamish and the Sunshine Coast, is that they can't find workers because they can't find a place for their workers to live. They're very happy with the investments that are

being made in housing and the launch of Canada's housing plan in this budget, which, in my opinion, makes some pretty transformational changes in the way that housing is going to be built so we can close the housing supply gap we have.

Mr. Kelly, what type of an impact do you see this having on small businesses across Canada and their ability to house workers?

• (1620)

**Mr. Daniel Kelly:** I can't say that we've done a detailed study of the specific initiatives in the new round of announcements that have come forward. However, I will say that in our survey last year related to the budget implementation, the housing issues shot up as a concern on the part of employers faster than I've ever seen. Five years ago, if you had asked small business owners how concerned they were about housing issues, they would have put that quite low on their list of priorities. In the last couple of years, that has been quite high for the very reason that you're citing. Their concern is for their staff. If they can't find workers, then they don't have anyone to work in their businesses.

Finding measures to get more housing built across Canada is something that small firms definitely support. With regard to the specific measures that have been taken, I'm sorry, but I'm probably not qualified to speak to them, as I've been focused on capital gains taxation and the carbon rebate.

**Mr. Patrick Weiler:** That's fair. There's a lot to digest in the budget. Perhaps the next time we're able to have you at our committee, we can talk about that.

You mentioned in your opening remarks four taxes that have increased this year, including the modest increase in the excise tax on liquor. You didn't mention, at the same time, that the excise tax is being cut in half on craft brewers. I understand that about 94% of brewers in Canada are below the 15,000-hectolitre threshold under which excise taxes are going to be cut in half. I know that in my own riding, all but one of the breweries—and there are nine of them—fall under that threshold.

I'm wondering what you're hearing about the impact of this measure on those businesses.

**Mr. Daniel Kelly:** We were thrilled when the government reduced the planned inflationary increase on liquor excise taxes, and I think the measure taken with respect to beer is a very positive one. You're absolutely right. For craft brewers, that is a big deal.

When we look at liquor taxes more broadly, though, we look at the effect not only on the brewers or the producers of the alcohol products, but also, throughout the food chain, on the restaurants, the bars and others who use and sell these products, with the markup they may have to come up with. That's why I was focusing on the broader issue of the increase in the tax rate, but the beer change was a very good one.

**Mr. Patrick Weiler:** To get to my last question, you brought up the CEBA loans. We had the repayment deadline earlier this year, and I understand that about 80% of them were repaid by that deadline. With regard to the remainder that have kicked into other low-interest loans or refinancing, do you have a sense of which sectors of small businesses have the majority of outstanding CEBA loans?

**Mr. Daniel Kelly:** The sectors that we know are having the hardest time with repayment are retail, hospitality, service, arts and entertainment, travel and tourism. These are the sectors that, of course, endured the lockdown measures the longest and probably have the longest road to recovery.

I will say, though, that while it is good news that 80% of businesses repaid the CEBA loans by the deadline, the way that many of these businesses found the money to repay the bank was by taking out another bank loan or, in some cases, putting the CEBA loan on their credit card. About a quarter of those who were able to repay their CEBA loan—which is a good, positive thing because they got the forgivable portion—did so in an incredibly expensive way by borrowing to repay a loan. I liken that to taking money out on your Visa to pay your Mastercard bill. That's not a great success, from my perspective.

**The Chair:** Thank you, MP Weiler.

Now we'll welcome MP Ste-Marie. It's good to see you.

[Translation]

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

Hello to all my colleagues. I'm glad to be back with you.

Hello to all the witnesses as well, and thank you for being here.

My questions are for Mr. Kelly from the Canadian Federation of Independent Business, or CFIB.

My first question pertains to Bill C-59, the massive budget implementation bill, not for this week's budget, but for last year's budget. That is what we are concerned with here today.

Does the CFIB have any comments on the changes the bill makes to the Competition Act? If so, what are they?

• (1625)

[English]

**Mr. Daniel Kelly:** We like some of the amendments to the competition laws in Canada. This is a big deal for small firms. There's been so much consolidation. Small firms feel like they have very little bargaining power with some of the large oligopolies and monopolies that exist in Canada, so it is good news that we are starting to strengthen competition laws across the country.

Modernizing the merger review regime, improving the effectiveness of some of the investigations of anti-competitive conduct, strengthening the enforcement against abuse of dominance by big companies and introducing right-to-repair rules are positive measures that we saw. These are fairly modest competition changes. These aren't big ones, but it is the first time in a long time that we've seen some additional teeth put in competition law in Canada, and that is a good thing.

We'll have to test this out and see how it works. We will, as an association, always give feedback to government and all opposition parties, like yours, as to how things are going.

[Translation]

**Mr. Gabriel Ste-Marie:** Thank you for your answer; it is very helpful.

You are hinting that the part of the bill dealing with competition could have gone further. Since we are working to strengthen the bill, what improvements would you suggest regarding the Competition Act?

[English]

**Mr. Daniel Kelly:** We have a more detailed submission, and I'll be very pleased to send it to the committee with some further recommendations on this front. However, I will say that the U.S., for example, has, in many respects, stronger competition rules than Canada does, so we've borrowed from a few of those approaches.

I apologize, but I don't have the details in front of me.

[Translation]

**Mr. Gabriel Ste-Marie:** That's fine. We would be grateful if you could send them to us fairly quickly since we have to make any amendments soon.

Moreover, there are changes regarding the right to repair, which is also related to the Competition Act. Many businesses are telling us that the act could go further. They are concerned that some aspects of the way the right to repair is worded can be used as excuses by automobile manufacturers, for example, or other sectors that might say it is too complicated to change their ways of doing things. So the right to repair could remain limited.

Have you considered this issue? What are your thoughts on it?

[English]

**The Chair:** Mr. Kelly, were you able to hear that?

**Mr. Daniel Kelly:** I'm sorry, but my French, Monsieur Ste-Marie, is not perfect. Unfortunately, the audio dropped off almost altogether over the last minute or so. The interpretation stopped, and then the audio stopped altogether.

**The Chair:** The interpreters were on the wrong channel.

We're going to ask MP Ste-Marie to repeat his question.

Let us know right away, Mr. Kelly, if you're hearing it.

[Translation]

**Mr. Gabriel Ste-Marie:** I suspect it's a conspiracy by the big multinationals who oppose the right to repair, which undermines competition and the interests of SMEs.

[English]

**Mr. Daniel Kelly:** This is an issue we've heard about from several sectors of the economy. The right to repair—the right to access and understand things—for those doing the repair work and for the end-user is very important. With some of the market power that exists among some of the large guys, that isn't always provided.

I know the government has been making some changes in this area. I think it's trying to strike the right balance between proprietary information and the ability for customers and those doing repair work to have access to some of this needed information.

I think there is progress. With my level of detailed knowledge, I think we have some other views that I can include in the letter that I'll send to you.

• (1630)

[Translation]

**Mr. Gabriel Ste-Marie:** Thank you.

[English]

**The Chair:** Thank you, MP Ste-Marie.

Now we'll go to MP Davies. This will be the last four minutes of questions for these two witnesses.

**Mr. Don Davies:** Thank you.

Dr. Allison, you wrote in the Canadian Journal of Public Health, “it is important to understand that the proportion of Canadians reporting not visiting a dentist because of the cost has increased from 17% in 2007–2009...to 28% in 2016”. It's interesting to note that that's the term of the last Conservative government. You also said:

Furthermore, in 2018, Statistics Canada reported that 36.4% of Canadians had no dental insurance...and Canadian Institute for Health Information (CIHI) data indicate that in 2019 (i.e. the most recent “normal”, pre-pandemic year for such data), while total expenditure on dental care in Canada was \$16.4 billion, only \$1 billion (i.e. 6.2%) of that was publicly funded....

By establishing the CDCP, some nine million Canadians will be able to visit a dentist. What will be the long-term health and economic impacts of that program?

**Mr. Paul Allison:** In terms of health, lots of preventive measures could be put in place for kids and all age groups—seniors as well. We're going to prevent lots of diseases. That's going to reduce lots of costs related to people who couldn't otherwise afford to get to the dentist, as they won't be going to the ER, taking time from ERs and receiving painkillers and antibiotics. Often, antibiotics are not going to be helpful, so we're contributing to antimicrobial resistance, which is a major public health problem. Then there's the actual cost of that care. It's much better if those people who need urgent dental care are able to get to the dentist, dental hygienist and others who can provide it directly.

There are going to be lots of cost benefits, health benefits and social benefits from people not taking as much time off school and work.

**Mr. Don Davies:** When my grandma said that an ounce of prevention is worth a pound of cure, she may have been on to something.

**Mr. Paul Allison:** Absolutely.

**Mr. Don Davies:** Mr. Kelly, on February 27, 2024, the Calgary and Edmonton chambers of commerce issued a joint statement calling on the Government of Alberta to discuss the viability of a federal pharmacare plan in their province. They said:

With the ongoing labour shortage and need to attract talent, and the cost to employers for providing health-related benefits, along with the financial benefit of pooling resources across provinces, a national pharmacare program, if developed well, could benefit Alberta's economy.

Do you agree with that statement?

**Mr. Daniel Kelly:** This has been a tricky issue. In member surveys, we get mixed views from small business owners. There's no question that many small firms struggle to have employee benefit plans that are anywhere close to being as generous as those for positions in the government or in large corporations, so there could be an equalizing effect with the creation of these programs. In some cases, employers are happy to dump their costs onto government, and I worry that this may happen, with some companies basically exiting the provision of coverage as the government picks up the tab.

The other big thing that business owners know is that with all of these major programmatic changes, there are new costs. We know that governments often look to small and medium-sized businesses to pick up these costs, as we've seen in recent days.

It isn't an easy calculation. In the last member survey that I showed, there was mixed support for the addition of a pharmacare program—

**Mr. Don Davies:** Mr. Kelly, I have limited time.

You put a survey out in 2019 for the CFIB highlighting that 47% of business owners were in favour of introducing pharmacare, while only 27% expressed opposition. That's about a 2:1 margin. Is that correct? Is that what the survey showed?

**Mr. Daniel Kelly:** You have that survey in front of you, and I trust the data is correct. I would say that a 2:1 ratio is supportive. We don't have price tags in front of small business owners, so there is that.

• (1635)

**Mr. Don Davies:** Thank you.

**The Chair:** Thank you very much, MP Davies. That is it.

Thank you, Mr. Kelly and Dr. Allison, for your remarks, for your testimony and for answering the many questions you got. On behalf of the committee and committee members, it was much appreciated. We wish you the best with the rest of your day.

At this time, we're going to transition to our next panel of witnesses. We're suspended.

• (1635)

(Pause)

• (1640)

**The Chair:** We are back, everyone.

With us now, from the Canadian Association of Public Health Dentistry, we have Dr. Amrinderbir Singh, president. Welcome.

From the Saguenay Port Authority, we have the president and chief executive officer, Carl Laberge.

We will start with Dr. Singh, please, for opening remarks.

**Dr. Amrinderbir Singh (President, Canadian Association of Public Health Dentistry):** Thank you, Chair and committee.

Good afternoon, everyone. My name is Dr. Amrinderbir Singh. I'm the current president of the Canadian Association of Public Health Dentistry. I'm also an assistant professor and the director of inclusive community outreach at the College of Dentistry, University of Saskatchewan.

I am extremely honoured to be invited today to represent the Canadian Association of Public Health Dentistry, which I'll refer to as CAPHD, as a witness before the House of Commons Standing Committee on Finance in view of its study of Bill C-59. The CAPHD is the national voice for dental public health in Canada and exists to support members, government, institutions and agencies dedicated to improving oral health and assuring oral health equity for Canadians.

First of all, on behalf of CAPHD, I would like to applaud and acknowledge the tremendous efforts made by the federal government in the latest phase of the development of the Canadian dental care plan. This unprecedented initiative will enable many of our equity-deserving Canadians to access much-needed oral health care, potentially improving their overall health and well-being while decreasing the burden of oral disease in Canada.

The CAPHD promotes and advocates for equitable oral health care for all Canadians. We will continue working with the government, partner organizations and our membership to support the CDCP and advocate strongly for its uptake and utilization across Canada.

The CAPHD is closely following the phased rollout of the CDCP and eagerly awaits early reports regarding plan enrolment and utilization. Our association believes that it is critical for the CDCP to remain responsive to the evolving needs of Canadians. Continuous evaluation of the CDCP will be important for informing data-driven policy adjustments, and interdisciplinary collaborations will be vital for enhancing the CDCP's effectiveness. As the plan matures, the CAPHD looks forward to more emphasis on preventive services for caries and periodontal diseases. This includes upstream services that increase oral health literacy, such as oral health education and counselling and the encouragement of interventions addressing the microbiology of dental decay and gum disease.

To encourage more health care providers to support the plan and increase access to care for underserved Canadians, the CAPHD

proposes alignment of the CDCP fees with the existing provincial fee guides in the future. We believe that harmonized compensation rates will encourage more providers to participate in the plan.

Additionally, the CAPHD would like clarification on how health care providers can coordinate benefits for individuals eligible under more than one public insurance plan, be it federal, provincial, territorial or municipal. This clarification is essential to streamline the processes for health care providers and ease the financial burden for eligible individuals, which aligns with the CAPHD's preference for minimizing out-of-pocket expenses for patients.

By addressing these key areas, the CAPHD aims to encourage greater provider participation in the plan and support a sustainable model of care. Success in these endeavours is contingent upon the active involvement of health care providers, equity-deserving communities and high-risk populations. The CAPHD commits to advocating for enrolment strategies that actively engage all crucial stakeholders and promote provider enrolment within its membership. These collaborative efforts may enhance the plan's reach and impact and support Canadians in accessing the oral health care they need.

However, I would like to take this opportunity to emphasize that access-to-care barriers are complex and multi-dimensional, especially for rural and remote communities and high-risk population groups. If I may, I will extend that to include inner-city areas. Hence, in future planning, we urge the government to consider investing more resources to address the access-to-care barriers.

Again, the CAPHD expresses profound gratitude for the recognition of oral health's vital role in the overall well-being of all Canadians. The CDCP has the potential to contribute towards increasing our population health significantly in the forthcoming years. By prioritizing oral health, we anticipate a notable reduction in the overall burden of disease, thereby alleviating pressures on our health care system.

• (1645)

Thank you.

**The Chair:** Thank you, Dr. Singh. There will be a lot of time for members' questions.

We're now going to hear opening remarks from the Saguenay Port Authority.

Mr. Carl Laberge, go ahead, please.

[*Translation*]

**Mr. Carl Laberge (President-Chief Executive Officer, Saguenay Port Authority):** Hello, Mr. Chair and members of the Standing Committee on Finance.

To begin, thank you for inviting me to appear before you today.

As a Canadian port authority, the Port of Saguenay is recognized as one of the 17 largest and most strategic ports in the country. It plays a crucial and growing role in Canada's supply chain, with its strategic location at the heart of the corridor formed by the Saguenay, the St. Lawrence and the Great Lakes.

We are a young port with great development potential. In addition to our strong maritime capability and strategic location, we are currently working to develop one of the largest industrial and port zones in the country, with more than 3,000 acres of land earmarked for major industrial projects related to our port activities.

We are working with the governments of Canada and Quebec to attract development projects to Canada in order to develop new and innovative industry sectors. In this regard, our region is particularly well positioned for promising projects, including those directly related to Canada's critical minerals strategy, thereby contributing actively to the global transition to clean energy.

As you probably know, the Saguenay River is a key commerce corridor in eastern Canada. We are making it a hub that is productive, prosperous and above all sustainable for the Canadian economy, since it will be powered by renewable energy forms.

The Port of Saguenay therefore offers a unique opportunity to support growth of the Canadian economy that is both responsible and sustainable.

Through the National Trade Corridors Fund, or NTCF, the Government of Canada is supporting us in that process.

I would also like to commend the excellent co-operation we have received from the team of Pablo Rodriguez, the Minister of Transport. We have received financial assistance to develop new strategic infrastructures in the port, including the electrification of transshipments, which directly improves the appeal of our site.

Our transshipment capability has been improved, but our growth is now limited by our ability to meet shipping demand. Our shipping infrastructure currently has just one berth. As a result, ships requiring transshipment operations that last several days monopolize all port facilities, creating a bottleneck.

We applied to the NTCF for funding to improve our shipping infrastructure. Specifically, we want to build a new berth to reduce waiting times for ships that enter our port and thereby boost our productivity and the increase the flow of goods.

The Quebec government has already confirmed its participation in this new dock project by announcing last November its contribution of \$20 million. Now, we are still waiting for the reply to our funding request under the NTCF.

Today we wish to reiterate the crucial importance of investing in our port infrastructure through this essential program.

I will also use this opportunity to speak to you briefly about the request to increase our borrowing limit, as set out in our letters patent.

As you know, Canadian port authorities have borrowing limits that are regulated by the government and that are generally lower than their potential and real needs. This limits access to funding and as a result undermines their ability to attract private capital, requiring us to make massive investments in our infrastructure if we want to stay competitive and innovative.

In June 2023, the Port of Saguenay therefore submitted an application for a supplementary letters patent to increase its borrowing limit in connection with its major ongoing infrastructure projects, which are funded by the NTCF. We have still not received that supplementary letters patent.

We have major projects under way and have committed all of our liquid assets so as not to delay the schedule and investments or stop our work. We are waiting for the additional funding we need, which must first be authorized with the issuing of a supplementary letters patent.

I would like to mention that we were told that our application has been favourably recommended, but it is still being analyzed by the Department of Finance.

Those supplementary letters patent are essential to our organization and for the development of our infrastructure.

We are running out of time. The processing time for our request, which we consider unreasonable and excessive, could undermine our organization and the project's success.

Nonetheless, we are hopeful that with your support we can prevent delays and continue developing the Port of Saguenay and our community and continue to contribute to an effective supply chain throughout Canada.

Thank you for your attention. I will be pleased to answer your questions.

• (1650)

**The Chair:** Thank you, Mr. Laberge and Dr. Singh.

[*English*]

At this time, we're going to move to our first round of questions. It will be six minutes for each of the parties.

We are starting with MP Morantz for the first six minutes.

**Mr. Marty Morantz (Charleswood—St. James—Assiniboia—Headingley, CPC):** Thank you, Mr. Chair.

I want to thank our witnesses for being here. We've had many hours of very important discussions today on a variety of issues.

I'd like to start with Dr. Singh.

Dr. Singh, when it comes to the Canadian dental care plan, my understanding is that a very small number of dentists are interested in providing care under the plan. Is that your understanding as well?

**Dr. Amrinderbir Singh:** That is, yes.

**Mr. Marty Morantz:** Do you know why that is?

**Dr. Amrinderbir Singh:** It involves information. I have been following the news and listening to any releases from the provincial associations. From our understanding, with any change there may be a bit of hesitation. I think I'd be making assumptions right now. I don't clearly know why there is a hesitation.

From the population health standpoint, our goal lies in promoting the uptick and utilization of the plan at all levels.

**Mr. Marty Morantz:** Have you discussed this plan with any dentists who may have expressed their concerns to you?

• (1655)

**Dr. Amrinderbir Singh:** I have talked to dentists. There are mixed views. There are dentists who are really passionate about community health and see the great benefits of this plan, especially for patients who were never able to afford dental care. Some of the hesitation, anecdotally heard, was about the unknowns as the plan rollout was happening. Not all the information was out at once, so my understanding is that this may have created some hesitancy.

**Mr. Marty Morantz:** What would be an example of an unknown?

**Dr. Amrinderbir Singh:** It was the phased rollout of the plan, as planned by the government. We did not have all the details all at once. The details are now coming out, and we are becoming more and more aware. For example, yesterday, a news release said that dentists may not need to enrol in the plan and they're automatically enrolled. That is just one example of the clarity in the process that is coming out.

**Mr. Marty Morantz:** Some dentists may not want to participate because they think they would have to enrol, and now it's coming out that maybe that's not necessary. Is that what you're saying?

**Dr. Amrinderbir Singh:** That would be my assumption.

**Mr. Marty Morantz:** Are there any other reasons they've given you for concerns around providing care under the program?

**Dr. Amrinderbir Singh:** In my opening, as an association, I mentioned having better alignment of the fees with the provincial fee guides. That may be one of the reasons. I don't want to use the term "incentivize", but again, if providers are compensated at the similar level as the provincial fee guides, that may be one solution to address this.

**Mr. Marty Morantz:** Is there a significant level of increased administrative work within private dental offices that could be an issue for some dental offices?

**Dr. Amrinderbir Singh:** I cannot comment on that. I'm not aware of the level of administrative work that is required, ultimately, when the claims are being made. I am sorry, but I'm not able to comment on that.

**Mr. Marty Morantz:** One of the policies that our leader, Mr. Poilievre, has put forward is something we're calling a national blue seal program. It's to try to address the problem where professionals come to Canada from other countries and they have trouble getting licensed here. What we've proposed is a 60-day pathway to testing so they're not waiting forever. There are many qualified doctors, dentists and nurses in the country who are not practising their professions.

Would you support an effort like ours to try to get more dentists and dental hygienists licensed who come from other countries?

**Dr. Amrinderbir Singh:** I definitely would. We are well aware of the shortage of oral health care providers in Canada at all levels, be they dentists, dental assistants, dental hygienists or dental therapists.

I think this initiative has the potential to address those barriers significantly, especially when I think about rural and remote communities and about the CDCP, with the potential increase and influx of patients. If the providers, who may be going to rural and remote communities, see a sudden influx in the cities, I worry that may create a disparity and an even further shortage of providers in rural and remote communities if we don't address the number of providers in our country.

**Mr. Marty Morantz:** I have one last, very quick question.

What about the opportunity for a young dentist just graduating from dental college who wants to build a practice? Is this an opportunity for dentists who are just starting their practices to perhaps build a practice more quickly?

**Dr. Amrinderbir Singh:** To understand that correctly, would it be through working in rural and remote areas?

• (1700)

**Mr. Marty Morantz:** I mean anywhere, just by agreeing to provide care under the Canadian dental care program. I can see a young dentist coming out of dental college without any patients. They might look at this as an opportunity to build a practice.

**Dr. Amrinderbir Singh:** I definitely would think so. However, I do not think there is that.... There is need for care everywhere. This would just enhance it.

**The Chair:** Thank you, MP Morantz.

Now we'll hear from MP Weiler, please.

**Mr. Patrick Weiler:** Thank you, Mr. Chair.

I want to thank our witnesses for being here today.



I want to pick up on the last line of questioning from Mr. Morantz with Mr. Singh.

You mentioned some of the barriers and gaps you're seeing with dental providers across the country. You particularly mentioned the recommendation to invest resources to address these access-to-care barriers.

I was hoping you might elaborate on what the relative shortages are in rural and remote areas.

**Dr. Amrinderbir Singh:** I am aware of some communities, especially in northern and rural Saskatchewan, that do not have a dentist and have not seen a dentist in many years. Patients have to travel at least seven to nine hours one way to see oral health care providers. There have been therapists in some communities, but there is a shortage of oral health care providers at all levels.

In terms of the access-to-care barriers now, even if dentists enrol in the plan and the CDCP is implemented, if we are not doing something specific for the northern and rural communities and we don't specifically invest resources in that area, I think that may create a further divide. Some of our populations that have suffered disproportionately are the ones who have not seen dentists in years.

**Mr. Patrick Weiler:** That's a point very well taken. As someone who represents some rural areas, although I wouldn't necessarily categorize them as remote, I know there is a big need.

As you may have seen in the budget we just tabled a few days ago, we are announcing our intention to expand the eligibility for student loans forgiveness for dentists and dental hygienists who go to work in rural and remote communities. Do you see this type of measure as an incentive that will help get more dentists and dental hygienists into the rural and remote areas that you just highlighted as having a big gap?

**Dr. Amrinderbir Singh:** I definitely see that, especially if there is a return of service agreement of some sort to specifically target the communities that have been historically underserved.

On top of that, I don't want to forget to highlight that the cultural safety piece is important. Ensuring that training happens in the right way for these future providers is essential. Any investment specifically in training would also be beneficial.

**Mr. Patrick Weiler:** Definitely.

Since this plan launched, we have seen over 1.7 million eligible seniors sign up. They're looking forward to getting the oral health care supports they need. I've done a few town halls in my riding, and people are very excited about this.

I was hoping you could share with the committee how we can keep up this momentum on the importance of maintaining dental hygiene as other cohorts begin to be eligible to apply. How does that align with the mandate of your association—ensuring oral health equity for Canadians?

**Dr. Amrinderbir Singh:** I think for preventative services and hygiene, anything we can do more upstream in education for the patient, including on scaling and hygiene appointments, is important. Ultimately, this is going to prevent the disease burden. It cannot happen overnight or in a few years. We have seen a huge disparity over the past number of years, so it's going to take time.

My view and suggestion would be to keep the communication plan very strong in cases where targeted communication is needed for seniors groups or adults. This could apply to certain communities and in certain languages so that nobody feels left out or did not know what to do.

• (1705)

**Mr. Patrick Weiler:** That's very sound advice.

In the Canadian Association of Public Health Dentistry's 2020 submission to the committee, your organization stated, "people of lower socioeconomic status, immigrants, Indigenous populations, the working poor, and the elderly make fewer visits to the dentist than those of higher social and economic status." I think it is fairly obvious that Canadians shouldn't have to choose between groceries and a visit to the dentist.

I was hoping you would explain to those in the room who don't support providing Canadians with equitable access to dental care why they should support the Canadian dental care plan.

**Dr. Amrinderbir Singh:** We have known that cost has been one of the barriers to accessing dental care. This is especially relevant to low socio-economic status. In other cases, there was no availability of service, so the physical availability of services is also important.

From my work and from discussions in our association, there is yet another barrier that is not generally talked about. It is the mistrust of certain population groups and patients of the health care system and the stories of discrimination and racism that exist. How do we build systems that support providers in building trusting relationships with patients and vice versa so there's no hesitancy when cost is not the barrier? How do we move forward in a way that is respectful of the patient? That becomes especially important when we are reversing cost-related barriers.

**The Chair:** Thank you.

Thank you, MP Weiler.

We'll now go to MP Ste-Marie.

[*Translation*]

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

I would like to acknowledge Dr. Singh and Mr. Laberge.

My questions are for Mr. Laberge.

Thank you for being here. I found your remarks inspiring. You reminded us that your facilities, located around the Saguenay, St. Lawrence and Great Lakes, are among the 17 largest and most strategic in the country. You spoke about 3,000 acres of industrial area capacity, among the largest in the country. This holds enormous potential for new industries, such as critical minerals and the transition to renewable and sustainable energy.

In Parliament, we're concerned about productivity in the struggling economy, along with supply chains.

How do your facilities play a strategic role in meeting these needs?

**Mr. Carl Laberge:** Thank you for your question.

The Port of Saguenay is strategic in a number of ways. It's one of the only deep-water ports in Quebec. It can accommodate large transoceanic vessels from the St. Lawrence, which provides a unique advantage. It's also directly connected to the railway system, and has fairly large storage capacity. However, it has certain infrastructure limitations.

As I said in my remarks, we're in the process of significantly improving part of our infrastructure with a mechanized bulk materials transportation project. We're quite pleased with this project. Another project will improve our shoreside infrastructure so that we can keep pace. For this project, we're currently applying for funding from the national trade corridors fund.

The Port of Saguenay is located in the middle of one of Canada's major industrial hubs. It serves the aluminum industry in particular and the forestry industry. As you said, we have great and unique potential for industrial development in Canada around our facilities with the new industries. However, to serve these clients, we need to develop the infrastructure at the same time. We're heading in that direction. We have infrastructure under construction and commitments, especially from the Quebec government, another key partner in the development of industrial infrastructure.

We're currently implementing the right conditions to make the Port of Saguenay a significant part of the logistics chain. We're doing this by strengthening our transportation and transshipment capacities to ensure that they remain substantial and consistent. Investments in our port facilities also give the area a capacity for large-scale industrial development. The area already has the necessary energy and land available, provided that the right infrastructure is in place.

Investing in the port means investing in our future. Around here, it's often said that you can't go wrong when you invest in unique projects of this nature. We have enormous potential here. It's important not to give up. We already have the support of all levels of government. However, this support must continue, especially the support from the federal government. In the recent federal budget, we would have liked to see additional funding for current infrastructure programs to help us make decisions.

• (1710)

**Mr. Gabriel Ste-Marie:** Thank you.

The Port of Saguenay is truly strategic. It helps us achieve all our goals. Basically, your applications will help further develop the economy.

You said that things were going well with Mr. Rodriguez and the Department of Transport. However, your application for funding for the new berth, which you explained is vital, remains unanswered. Quebec confirmed its \$20 million commitment last November. That was five months ago if I counted correctly. You still haven't heard back from Ottawa.

Did you send your application to Ottawa five months after sending your application to Quebec City, or did you send both applications at the same time? Is Ottawa a bit slow?

**Mr. Carl Laberge:** We submitted these funding applications at about the same time. In terms of the program, I would say that the funding applications were submitted in July 2022.

**Mr. Gabriel Ste-Marie:** The application was submitted in July 2022. Quebec responded in November 2023. As of April 2024, Ottawa still hasn't responded. We'll follow up with Mr. Rodriguez and the Minister of Finance on this matter.

With regard to your other application for the supplementary letters patents, you said that the unreasonable and lengthy processing time could lead to a funding holdup.

In concrete terms, what are the daily implications of not having these supplementary letters patents? What choices does this lead to?

**Mr. Carl Laberge:** In concrete terms, as I said, a major project to electrify our infrastructure is currently under construction. It's a \$110 million project. It should be noted that the Saguenay port authority, while significant and strategic, is smaller than, for example, the Montreal or Vancouver port authorities. We don't have the same financial capabilities. For a \$110 million project, we must borrow quite a substantial amount, by the way. We received support from the Quebec government to obtain loans. However, to accept these loans and use this money, we need the federal government's authorization. We must amend our letters patent to have the right to borrow this money. We already have financial commitments with the lender. We also need Transport Canada's authorization.

We started this process last year to get ready and to gain access to the money needed to continue the project. However, right now, the processing times are long and the process seems quite complicated. I would say that sometimes we get confused. Transport Canada has carried out analyses. These analyses have been completed. We gather that the recommendations are positive. I understand that this must go through the Department of Finance. We currently haven't heard anything. Our file is with the Department of Finance. We would like our file processed and returned to Transport Canada so that we can amend the letters patent to access the money. We can't stop work at this time. We must stick to the schedule. The contractor is on site and we must make payments. At this point, we're scraping together the money and things have become a bit complicated. If this drags on, we could run into problems in the near future. This could jeopardize the progress of the project. We could no longer meet our financial commitments. It wouldn't be because we lack the money, but because we don't have the right to borrow without the supplementary letters patent.

• (1715)

**Mr. Gabriel Ste-Marie:** Thank you.

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

[English]

Now we'll go to MP Davies.

**Mr. Don Davies:** Thank you.

I'll go to the Canadian Association of Public Health Dentistry.

Is it Mr. Singh or Dr. Singh?

**Dr. Amrinderbir Singh:** Dr. Singh is fine.

**Mr. Don Davies:** Thank you, Dr. Singh.

Dr. Singh, the research I have looked at says that Canada has a ratio of about 65 dentists for every 100,000 Canadians. That ratio has doubled since the 1960s. I am also aware of data that shows there's an oversaturation of dentists in major urban centres like Vancouver, Toronto and Montreal.

My question is twofold. Is the problem that we don't have enough dentists in Canada, or is it that we have enough dentists but that they're just not evenly distributed where we need them in the country?

**Dr. Amrinderbir Singh:** I'm not aware of all of the cities that are saturated; some centres may be. I think it's about the equitable distribution of providers and what opportunities we are creating for providers to be in areas that are high-need.

I'm not aware of why these providers may be choosing to be in the urban centres, but lifestyle resources, from my understanding, would be one of the reasons. As we are launching a plan like the CDCP, I think we also have to be mindful of how we bring services closer to home for community members who haven't had services in years.

**Mr. Don Davies:** Yes, I very much agree. That's why, in budget 2023, the NDP secured \$250 million over three years, starting in 2025, and \$75 million ongoing to establish an oral health access fund.

Are you aware of that fund?

**Dr. Amrinderbir Singh:** I am aware just to the level that you have described. I am not sure about the details of the fund yet.

**Mr. Don Davies:** That fund is precisely for the issues you've identified. We are aware that rural areas, underserved areas, remote areas and, frankly, even urban centres that may have enough dentists but have issues of access for people living with disabilities.... This fund is meant to address that. I think it will be open fairly soon for people to apply to.

There are innovative and creative ways.... I've heard of things like mobile units to go into care homes. I've heard about a proposal to outfit a train car. I think we're going to talk to a witness coming after this about establishing special access for people with disabilities—maybe someone in a chair or someone who is non-verbal. There is hope on the horizon.

Dr. Singh, you published a statement on the CDCP: "To encourage more oral health providers to support the plan and increase access to care...the CAPHD proposes alignment of the CDCP fees with existing provincial fee guides in the future." I agree with you, by the way.

What is your understanding of what percentage of fees the CDCP's 2024 fee guide covers generally of the provincial fee guides?

**Dr. Amrinderbir Singh:** From the information I have been hearing, there has been some consideration given to increasing the fee guide from 82% to about 88%. That's what I am aware of right now.

**Mr. Don Davies:** If the CDCP pays dentists 88% of the fees that they and the provinces set, would that be sufficient, do you think, to attract dentists to the plan?

**Dr. Amrinderbir Singh:** I am not able to speak on behalf of dentist providers, but I think if more work is required, especially if there's more administrative work, and there's less compensation, that may not be attractive for the providers.

• (1720)

**Mr. Don Davies:** Well, there's good news on that front too. Those concerns have been raised for the last two years, but I understand that the CDCP will have a reimbursement goal of money being repaid within 24 hours, and the administration should be no more complicated than that of any other dental plan that offices work with. The other advantage I would mention is that the federal government, of course, is a guaranteed payer, so there's no chasing bad debts.

If the plan is streamlined, is easy to use and has guaranteed quick payment, and if, as you said, you understand that the fee guide is about 88%, do you see any reason dentists may be reluctant to join the plan other than the reduction in money?

**Dr. Amrinderbir Singh:** Another factor would be if existing practices are already full and the providers are at their capacity. Then we would have to look at how we can increase that capacity by bringing in new providers or creating opportunities for internationally trained providers to become licensed in Canada.

**Mr. Don Davies:** You clearly care a lot about marginalized communities that don't have access. Do you think the CDCP should prohibit balanced billing in order to minimize out-of-pocket costs for patients, especially, obviously, low-income and poorer patients who haven't been to a dentist in many years?

**Dr. Amrinderbir Singh:** In my opinion, we should look into opportunities to not have balanced billing or to harmonize the fee guides so that we will not be creating tough situations for anybody—providers or patients.

**Mr. Don Davies:** I agree. Thank you for that.

**The Chair:** Thank you, MP Davies.

Again, members, we have very limited time. We have about two minutes per party for a question or two.

MP Lawrence, go ahead.

[Translation]

**Mr. Philip Lawrence (Northumberland—Peterborough South, CPC):** Thank you.

My question is for Mr. Laberge.

[English]

Monsieur Laberge, I want a clarification. Interpretation does their best, but sometimes they're not a hundred per cent.

I almost couldn't believe it when I heard what is stopping your expansion. I understand that millions, or maybe more, are on the line waiting for what is simply a government change with respect to the letters patent. Is that correct?

[Translation]

**Mr. Carl Laberge:** I'll speak about the current situation.

[English]

We're doing construction work, and we have to make payments to an entrepreneur to get it to advance. We have loans on the side that we cannot access because we are not allowed to by our letters patent. Our letters patent limit our ability to borrow money. We have to have permission from the government to change our letters patent to get access to that money.

Analyses have been done at Transport Canada, but they have to have—I cannot say the blessing—the permission from Finance as well to give us that permission.

**Mr. Philip Lawrence:** I'm sorry, but my time is short.

What type of economic outcome would there be from getting these letters patent fixed? How many jobs, how many millions in flows and how much in construction would there be if we were able to get this done?

**Mr. Carl Laberge:** Actually, it's just to get that work under way. Our work is under way. If we don't have it, we're going to block ev-

erything. We have \$110 million on the way, and we might stop that work if we don't have those letters patent.

**The Chair:** Thank you, MP Lawrence.

Now we'll go to MP Thompson for a couple of minutes.

**Ms. Joanne Thompson:** Thank you to both witnesses.

Dr. Singh, clearly this is a historic investment.

I know there's a very short period of time for an answer, but can you explain how investment in the Canadian dental care plan and access to oral health care is going to impact the health care of the many Canadians who haven't been able to access full or even partial oral care?

**Dr. Amrinderbir Singh:** Absolutely.

You said it very well. It is historic. It is a milestone for all of us. Oral health care is on the table, and like many others, I am pleased to see that.

We are aware that the mouth is literally the gateway to the body. It impacts how we function day to day and what we eat. If someone has experienced any type of dental pain in their life, they would know that it is quite discomforting in the way that it inhibits anybody's ability to eat, to smile and to function.

I think this investment has a lot of potential to improve not only oral health, but overall health. There are many demonstrated systemic oral linkages, so this has the potential to also decrease the burden on acute care settings and emergency settings, where people end up in an emergency for oral health care issues.

• (1725)

**The Chair:** Thank you, MP Thompson.

Now we will move to MP Ste-Marie.

[Translation]

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

Mr. Laberge, rest assured that we'll follow up on the letters patents.

I can see on screen the Parliamentary Secretary to the Minister of Tourism and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec, Ms. Koutrakis, who also always proactively follows up on files. With her help and the help of all our colleagues, we can follow up and get things moving again.

You spoke about the budget. You would have liked more support for the port authorities. Can you elaborate, or share any other thoughts on the matter?

**Mr. Carl Laberge:** The national trade corridors fund, or NTCF, has been a popular and valued program.

As you know, we hear a great deal about supply chains. The national supply chain office, which the government set up, is starting its work. Investments will be needed in this area.

Ports are highly strategic public assets for the country. They need upgrades and maintenance. To that end, they need the appropriate funding. This program has been quite popular. As far as we know, funds for this program have dried up, creating issues across the country. We think that this is important.

There are many priorities. However, this is certainly one of them.

**Mr. Gabriel Ste-Marie:** As you rightly said, this is a key priority. Your support makes it possible to boost the economy as a whole. This is vital, and I want to thank you for it. My colleagues and I will keep in touch to ensure that your applications move along and that the national trade corridors fund gets a further boost.

**Mr. Carl Laberge:** Thank you, Mr. Ste-Marie. I appreciate it.

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

[English]

We will now move over to MP Davies.

These will be the last questions for our witnesses.

**Mr. Don Davies:** Thank you, Dr. Singh.

The CAPHD has said it would like “clarification on how health care providers can coordinate benefits for individuals eligible under more than one public insurance plan”. That means a federal, provincial or territorial plan. It said that’s “essential to streamline the process for health care providers and ease the financial burden for eligible individuals, which aligns with the CAPHD’s preference for minimizing out-of-pocket expenses for patients.”

It’s my understanding, Dr. Singh, that the federal government is in active negotiations with the provinces. That likely will make the federal government the first payer, and then, if a person is on a social services program, the province or territory will be the second payer. In your view, would that be an acceptable coordination of benefits?

**Dr. Amrinderbir Singh:** I would think so, yes. If there is better alignment and better understanding along with the communication and clarity, that would help.

**Mr. Don Davies:** Finally, the CAPHD has also said that it’s important that this plan “remain responsive to the evolving needs of Canadians.” Can you give us an idea of the kind of data we should be collecting or what we should be looking for to make sure that this plan remains responsive and maybe becomes even better?

**Dr. Amrinderbir Singh:** I think this includes a diverse range of metrics, including from what areas people are coming to receive service, and where. I think I’d be most interested personally to see data related to whether people living in their home communities are able to receive services right where they are.

I’d like to see data related to income levels, socio-economic status and how much people paid out-of-pocket, because I know there are income categories on which the copayment is decided. Evolving data on that would also be helpful for future directions. Then we’d see whether there is hesitancy among patients to accept treatment

based on out-of-pocket expenses, or this is seen as a positive, and more and more people are receiving the care they need.

• (1730)

**The Chair:** Thank you, MP Davies.

We want to thank our witnesses, Dr. Singh and Mr. Laberge, very much for their testimony. On behalf of the finance committee, we really appreciate it.

We are going to transition now to our final panel for the day, so we’ll suspend and get those witnesses in as quickly as we can.

• (1730)

(Pause)

• (1735)

**The Chair:** Welcome back. We are here with our final panel for today.

We have with us Mr. Ian Lee, associate professor at the Sprott School of Business, Carleton University. He is no stranger to this committee.

We also have here in person, from the Canadian Association of Public Health Dentistry, the immediate past president, Dr. Keith Da Silva.

Welcome, Dr. Da Silva.

We are going to start with Professor Lee. Please provide your opening remarks to the members, and then we will go to Dr. Da Silva.

Mr. Lee, please go ahead.

**Dr. Ian Lee (Associate Professor, Sprott School of Business, Carleton University, As an Individual):** Thank you, Chair Fonseca.

First, I have my disclosures. One, I do not belong or donate money to any political party at any level in Canada. Two, I have taught at Carleton University for 37 years, teaching the strategy capstone course that evaluates the competitiveness and value creation of industries and firms across the United States and Canada. Three, over the last 30 years, I’ve taught the EMBA over 100 times in multiple developing countries that experience very low economic growth, massive inequality, corruption and poverty at levels not seen in Canada.

As I am not here to plead on behalf of any interest group, business or NGO—after all, I’m not a lobbyist—I will deal at the level of the macroeconomic, philosophical direction of the budget implementation bill.

The fundamental problem, in my judgment, with the previous budget and the current budget is the overarching belief in the following fundamental principles. One, the top-down or centralized decision-making by politically directed non-market bureaucracy using the public funds of citizens produces superior outcomes to decentralized private decision-making by investors taking risks with their own money. Two, superior economic growth and prosperity will be realized by expanding the role and size of the public sector to direct and guide, substituting their decisions for private strategic decisions by corporations and investors. Three, fairness is defined as treating business investors or risk-takers as equal or possibly inferior to employees, requiring taxation to equalize investors with employees.

In my judgment, each of these fundamental assumptions in the budget bill is wrong, false and destructive of the greater public good in Canada. The market economy, from its origins in the late 1700s to the present—250 years of economic theory and practice—and the over 50 Nobel prizes in economics have taught us that a decentralized economy of private investors and decision-makers making private decisions concerning capital investment, research and development, production, pricing, distribution and innovation produces the incredible standard of living of the high-income OECD countries, documented by the World Bank.

The “hockey stick of human prosperity” was named and documented by growth scholar Professor McCloskey of the University of Chicago and the University of Illinois in over 250 peer-reviewed research articles. I urge you to read her article called “How Growth Happens”. However, it was Joseph Schumpeter, the brilliant economist at the University of Vienna, then Harvard, who taught us the why and the how.

Competition causes firms to endlessly, ceaselessly innovate in order to differentiate their product offerings and achieve a sustainable, competitive advantage—the holy grail of any private firm. This process creates “gales of creative destruction”, the famous phrase of Schumpeter. It is not profit maximization, as claimed by critics unschooled in growth theory and economic philosophy. Schumpeter taught us that there are five types of innovation: product innovation, process innovation, business model innovation, source of supply innovation, and mergers and divestments, which I would call “corporate strategy innovation”.

The budget unwittingly undermines every type of Schumpeterian innovation by attempting to displace and replace private producer or investor strategic decision-making concerning these types of innovations. This replaces private investors with the very worst kind of economic policy decision-making and political decision-making and has false assumptions concerning the superiority of knowledge, understanding and decision-making in private markets.

In any large economy, there are literally trillions of economic decisions that occur daily. Many are as trivial as the decision to go to Tim Hortons for a coffee. It's an economic decision. However, the trillions of microeconomic individual decisions aggregate to macroeconomic trends and macroconsumer behavioural trends—the domain of strategy and value creation.

• (1740)

It is a conceit that people at the top of the non-market sector possess knowledge superior to the wisdom of crowds and to the outcomes of thousands of markets reflecting the decisions of millions of consumers and investors. There is no factual basis to this conceit. There is no supercomputer in the world fast enough or powerful enough, nor any AI algorithm or great leader smart enough, to process, aggregate and understand the meaning of the trillions of economic decisions in real time and then respond with the appropriate strategies and policies.

This explains the failure of every centrally managed economy everywhere, and we don't even have to look to the famous U.S.S.R. We can look at the failures of Argentina. We can look at the failures of Turkey and the failures of Venezuela.

What must be done—because I'm running out of time—

**The Chair:** Professor Lee, we have to wrap it up in 10 seconds.

**Dr. Ian Lee:** Can I just give you my five things that must be done?

**The Chair:** No. We're well over time. I would let it go, but—

**Mr. Philip Lawrence:** I want to challenge the chair.

**Voices:** Oh, oh!

**The Chair:** —Professor Lee, as you know, you'll have a lot of time during questions from the members.

Now we're going to the Canadian Association of Public Health Dentistry.

Dr. Da Silva, go ahead, please.

**Dr. Keith Da Silva (Past President, Canadian Association of Public Health Dentistry):** Thank you to the chair and to the committee for having me here today. I was more than happy to trade in the snow in Saskatoon for the rain here in Ottawa this morning.

My name is Keith Da Silva. Right now, I'm the only dually trained pediatric dentist and dental public health specialist, which gives me a unique perspective of the private and the public sides. I'm the past president of the Canadian Association of Public Health Dentistry. You heard from our president earlier today. In that role I was fortunate to be part of a number of different task forces and working groups, and still am as it relates to the CDCP. I've been involved with it from the start.

I want to start by acknowledging and appreciating the magnitude of this moment. This is a historic investment in oral health care, one that will have the potential to improve the health and quality of life of a lot of Canadians who can't afford care. What I don't want to lose in this moment—and I don't think we're talking about it enough—is that there is widespread recognition for really the first time, in the media, in public platforms and even in committee meetings like this, that oral health is an integral component of our overall health. It's something we can't lose anymore, and it's really a paradigm shift: No matter what the policies or programs become, we can't undo that we know this is important for our overall health.

As a clinical pediatric dentist, most of my practice was a safety net. I would treat children from low-income families—and this used to be in Toronto—who couldn't be treated anywhere else, whether that was because they were too young, their behaviour didn't allow them to be seated in the chair or other practices could not take the insurance they were on due to reimbursement rates. It was a difficult time for a lot of these children, especially in Ontario, where fees were being reimbursed somewhere in the 30% to 40% range. These were children with a mouth full of cavities and who often required us to take them to the operating room to have all their teeth fixed. Aside from the risk that comes with treating children under general anaesthesia, it's also a costly and inefficient way to have teeth fixed, and it really does strain the overall hospital system.

I cared for a lot of children with special needs. These are also individuals who have many challenges accessing care. I believe you heard from Joan Rush today about that. Again, that could be due to their coverage, financial resources, lack of specialized facilities or just the training and comfort level that some providers have because they don't have the expertise to do it. My experience providing care for these children and their families is really what led me from pediatric dentistry to incorporating dental public health, because I couldn't overlook some of the barriers they were facing when getting treatment.

While my clinical focus is on pediatrics, in public health, I have expanded to address access to care for seniors, particularly in long-term care facilities; for all low-income individuals; and, in Saskatchewan, where I currently am, for those living in northern areas of the province. Without question, the cost of care is the most profound barrier right now to oral health care. No individual should ever have to choose between paying rent, buying groceries and having a tooth fixed when it comes down to it.

I believe that the \$13-billion investment in the plan will make dental care more affordable for a lot of Canadians, particularly those who have been priced out of the private system. However, I must emphasize that the launch of this plan and investment in this plan should be looked at as the initial step of what will be a long road going forward to improve oral health outcomes.

Of particular concern for us is that, although care will become more affordable for many, this doesn't always mean it's going to become more accessible. There will still be many Canadians who enrol in the program who won't have dentists or oral health care providers living in their communities, so they will still have to travel or they won't have access to the specialized care they need.

Again, this is meant to be a start. We can't solve every problem in one plan, but these are things we don't want to lose.

We will still need to do more to incentivize members of the oral health care team—the full team, which includes specialists, dental hygienists, denturists and dental therapists—to get them where they're needed the most, as well as support training and educating the next generation of professionals. I'm optimistic the oral health access fund will address some of these issues with some creative solutions going forward.

Before concluding, I want to leave you with three points. I'm sure many of these have been addressed today.

First, we still need to do a better job of emphasizing prevention. Both public and private plans, by design, are geared towards diagnostic and treatment services, but they're very lights on preventing disease. We still need to develop—and this doesn't have to be solved in any one plan—a system of surveillance, health promotion and prevention. I truly believe, from my own experience, that we can keep kids out of emergency rooms and hospital rooms with a more targeted approach to prevention.

- (1745)

Second, there's lots more to be done with this plan to evaluate it in real time and—this is the harder part—make changes as we get more data. Some initial questions will need to be addressed: Are the right services covered? Is there an evidence base for these services? Are Canadians enrolling in the program, and if not, what are the barriers to that? For those who are enrolled, are there difficulties accessing services, and if so, how do we fix that?

Lastly, I'd be remiss if I didn't say that this plan will not succeed without the acceptance of the full scope of dental professionals. There are still some barriers to that. I'm very encouraged by the level of engagement. I don't think there have been this many stakeholder meetings and this much engagement with all of the national professions and provincial professions, so there is progress in that. Although there are barriers, I think they can be overcome over time, but there is still work to be done.

In closing, I thank you for allowing me to speak here today.

**The Chair:** Thank you, Dr. Da Silva.

I know members are eager to ask questions. We're going to start with our first round. Each party will have up to six minutes to ask questions.

We are starting with MP Hallan for the first six minutes.

**Mr. Jasraj Singh Hallan:** Thanks, Chair.

Mr. Lee, thank you for being here.

The Prime Minister, the finance minister and the Bank of Canada all at one point said that interest rates would be low for a very long time. After that, we saw 40-year highs in inflation and the most aggressive interest rate hikes seen in Canadian history.

In a BNN Bloomberg interview during that time, you talked about how much unprecedented government spending was happening, and you predicted much of what we're seeing today with high interest rates of up to 5%. You said that it was government-engineered and that it would get to this point.

Can you expand a bit on what happened? I think a lot of mortgage holders today who are renewing at double or triple the rate or the ones who can't afford their mortgage want to know what happened.

**Dr. Ian Lee:** I did say that at the time. This wasn't Monday morning quarterbacking, as we know four years later. When we drove the rates down to a quarter of one point and the finance minister and the Prime Minister were saying to borrow because they were going to stay at these levels, I instantly realized that they had made a mistake. Let me explain why.

I did my research. Rates had never in the history of Canada or the United States gone down to a quarter of one point. I went all the way back to the U.S. Civil War and they never went down to a quarter of one point. In Canada, in the Great Depression, which was 10 years—much longer than the pandemic and with a third of the population out of work—they didn't go down to a quarter of one point.

My point is that rates were so low that it was inevitable that they were going to go up. It was not possible, by any rational analysis of the historical record of interest rates, that they would remain at basically zero. I was very critical of that, and I lived through the seventies, when rates went to 20% to deal with the inflation of the government at the time, which hit 14%.

• (1750)

**Mr. Jasraj Singh Hallan:** You talked about productivity. We see in Canada that GDP per person has declined for six straight quarters. GDP per capita has the lowest growth in the entire OECD. The Bank of Canada's senior deputy governor, Carolyn Rogers, has said that this is a “break glass” emergency situation.

Can you explain how productivity got so bad in Canada? Why it is lower today than it was in 2018? What is the impact of some of the economic uncertainty and higher taxes on that productivity?

**Dr. Ian Lee:** I've been talking about this in my classes for literally 35 years. I've studied and read, I think, every major document in our country on this topic, going all the way back to the seventies and eighties. I've come to the conclusion—and I agree with the senior deputy governor of the Bank of Canada—that reduced competition, because we have so many protected industries, is a major contributor. I'm not suggesting it's the only contributor.

This is straight out of Schumpeter again. If you're not forced to compete, then you're not going to compete. You're not going to innovate. Why would you innovate if you don't have to innovate? We have created a lot of protection in multiple industries, which is allowing these industries not to innovate.

To your second question—again, the research on this is very clear—displacing and crowding out the private markets with government spending that's classified as investment is not going to increase productivity, at least from any of the evidence I have seen. We have a crisis in this country. That's not just from the senior deputy governor of the Bank of Canada. David Dodge has talked about this. John Manley, the former Liberal, has talked about this. Bill Morneau has talked about it.

This is not a Conservative view. The numbers are shouting at us that we have a profound problem that's going to hurt our young people.

**Mr. Jasraj Singh Hallan:** I think I have enough time for one more question.

Mr. Lee, I want to talk about something you brought up in another BNN Bloomberg interview. You said that during the pandemic, untargeted universal government programs were “squandering” Canada's resources.

We know Canadians are in a cost of living crisis right now. This government is constantly creating big government programs. A lot of the government's existing and announced programs don't increase productivity, make Canada more expensive or don't create jobs.

What effect do you think these large programs have on affordability and productivity in Canada?

**Dr. Ian Lee:** I have been very critical of them, and not because I'm opposed to helping people who need help. Of course we help them. That is the Canadian way. We have been doing this my entire life. As my late mother, who grew up in the Depression in Saskatchewan, reminded me, there was no public health care. There was no old age pension in the thirties. There were none of the programs we have now.

This is not about dismantling the social programs for people who need help. However, universality, which is giving money to high-income people and upper-middle-class people like professors, is simply wrong. It is just wrong to say that I should be getting free medicine from the taxpayer when I have a private insurance plan.

We should be targeting it to people who need help at the bottom, not privileged people like members of Parliament, professors and public servants. That's squandering desperately scarce public funds, when we should be targeting them and then focusing on growth to create the economy and growth of the future. That is going to generate, by the way, tax revenues for governments to then redistribute among various consumption programs.

**The Chair:** Thank you, Mr. Lee.

We're going to MP Morantz.

You have one minute for one question.



**Mr. Marty Morantz:** Professor, in my one minute, I want to ask if you agree with the following statement, which is a quote from Milton Friedman: “A society that puts equality before freedom will get neither. A society that puts freedom before equality will get a high degree of both.”

Do you agree with that, and do you think it applies to Canada today?

• (1755)

**Dr. Ian Lee:** I do. I studied Milton Friedman when I started my master's and Ph.D. I went back as a mature student at the age of 30. I'm a high school dropout, by the way. I was really stupid and irresponsible when I was a teenager. I learned my lesson and realized that education is key.

I studied Milton Friedman. I also studied a lot of the thinkers from that period, in the eighties, and the economic deregulation reference of the Economic Council, because it was a very fertile time. I've also taught in former Communist countries and former centrally planned economies. I don't believe you can have one without the other. They are joined at the hip.

**The Chair:** Thank you, MP Morantz.

MP Dzerowicz.

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

I want to thank both of our speakers today.

My first question is for Dr. Da Silva, although you kind of ruined it. At the end of your talk, you had your three recommendations. I'm going to be touching on one of them.

When I was a kid, long ago but not too long ago, I could not afford to go to a dentist. A lot of people at my school could not afford a dentist. Every year, we had public health nurses come. They were trained in dental hygiene. They would teach us how to brush our teeth, and they did that every year. They showed us a video and a couple of slides, and they literally gave us a toothbrush and told us how to brush our teeth. They walked up the rows in the gym to make sure that we were doing it properly.

I think there must have been a dentist there, because I remember individually going up to the dentist and the dentist looking at each of our mouths. The next day, you would get either a yellow paper or a red paper. The red paper meant you should see a professional dentist, who would say you needed braces. Every year I cringed, because every year I got a red slip of paper. However, there was no way I was going to show it to my parents, because there was no way we could have afforded dentists.

It sounds like a sad story, but the good news is that I never had a cavity until I was 21 years old. Also, because my parents had no money—I don't know if they meant to fool us, but they fooled us—they told us that dessert only ever happened on Sundays, so we only ever had sugar on Sundays. I think that played a big role in why I had my very first cavity when I was 21 years old.

The question I have for you is how we ensure a continued emphasis on prevention and keeping teeth healthy while we introduce this really excellent Canadian national dental care plan.

**Dr. Keith Da Silva:** Thank you for that.

School-based systems, I think, have always been shown to work for finding kids who have high needs. Some provinces have targeted school-based programs where providers go to schools in areas where they know the risk is going to be higher. In Ontario, for example, some areas might have screening and fluoride. Varnish is applied, and depending on the scope of practice for the dental hygienist or dental therapist, they can offer treatments within the schools. Saskatchewan used to have probably one of the most world-renowned school-based programs through the sixties, seventies and eighties. The challenge is that they are costly to run, and given all the pressure that provinces have, those tend to be cut or stripped down first.

The idea is that there need to be parallel systems within the provinces and within local municipalities. This requires partnerships with school boards, but not just focusing on children. We do a pretty good job with oral health prevention and screening for our younger kids, particularly those in kindergarten up to grade 7. Once they hit high school, we lose track of them, and that's even more so for seniors in long-term care, where we're not going to assess their needs as readily.

It's about combining resources. It doesn't have to be just the oral health professionals involved in this. We need to partner with any caregivers, like nurses and physicians, who can look in the mouth to identify problems so patients can get into the system, whether it's to be referred to their dentist for private care or enrolled in a public program. That broadens how we get patients into the programs they need, and then they can get care.

It starts by looking in the mouth, whether it's in the schools or the areas where that's needed the most.

• (1800)

**Ms. Julie Dzerowicz:** Let's not lose that. That's very important. I think the reason it was done when I was younger was that it was the only thing the school system, the health care system, could afford, because it didn't cost a lot of money. We want to do that. Also, whatever I learned in grade school, I very much carried through in high school. I just want to say that as a reminder to us all.

Thank you for your leadership, by the way. I really appreciate all the work you have done.

My second question is for Mr. Lee.

Mr. Lee, you might be the guest most invited to the finance committee. I've been on this committee for almost four years now, and I think I've seen you for just about every single study.

We're here to talk about the fall economic statement, so I want to ask you a question on that. We have heard a number of industry guests who have come before us talk about the fall economic statement. They very much support the investment tax credit, and they have been very vocal in telling us to get going in approving the fall economic statement and Bill C-59.

Would you agree with them?

**Dr. Ian Lee:** Yes, because if you threw out the fall budget, which was put out a year ago essentially, the uncertainty would cause too much economic disruption.

I didn't have time to deliver what I recommended, but I propose that things can be done to deal with our productivity crisis and economic growth. I would focus on those larger, more macroeconomic policies that focus on investment and economic growth.

**Ms. Julie Dzerowicz:** I'm glad our government is doing one thing right with these investment tax credits.

Thank you for being here today.

Thank you, Mr. Chair.

**The Chair:** Thank you, MP Dzerowicz.

MP Ste-Marie, go ahead, please.

[*Translation*]

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

Thank you to the witnesses for being here.

Mr. Lee, thank you for your presentation. I'm going to ask you some questions about Bill C-59. In your presentation, you said that your comments were general and more macroeconomic in nature. However, some bills, such as Bill C-59, amend the Competition Act.

What should regulations, laws and standards look like in a competitive economy, in your view? How should the act govern that?

[*English*]

**Dr. Ian Lee:** Thank you very much for that question. I didn't expect it, but I am really pleased that you asked it.

I think we made a mistake, and I say that with great respect for the Competition Bureau. There are some very fine people there, but we've engaged in what I call nose counting—how many companies are in or the concentration ratio. I use concentration ratios in my courses too.

To go back to Schumpeter, who understood this more deeply, I believe, than anyone else, he argued that it wasn't the concentration ratio that's critical; it's the contestability of markets. How easy is it to enter the market with substitutes? That's where competition increasingly comes from.

Jeff Bezos taught us that. He deconstructed the retail physical bricks and mortar because he had a brilliant idea in 1995. He understood that you can sell stuff online when everybody was laughing at him. It's contestability that's critical, not looking at the existing status quo. It's like looking in the rear-view mirror.

My overarching philosophical criticism is that we should be asking how we can make all of these enclosed markets more contestable, whether they have to do with airlines, banking or other areas that are protected.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you for that.

Every microeconomics course teaches that barriers to entry determine the level of competition possible in a market.

Do you think the act as a whole should be revised in light of that? I see you nodding, so thank you.

Bill C-59 also aims to prevent corporations and wealthy individuals from using tax avoidance, tax evasion and tax havens to pay less tax.

Do you have any comments on that?

[*English*]

**Dr. Ian Lee:** I understand your question, and believe me, I've looked at the literature, because this is important.

It would have been Mr. Chrétien's administration and Bill Clinton's in the States that got the OECD moving on this, so give them credit. However, I want to distinguish between tax havens and good old-fashioned illegal cheating. I think that's important, but I'm going to focus very quickly, because of the time, on your question.

I think the availability of tax havens is diminishing because of the OECD tax treaty that Canada belongs to and because they increased media scrutiny on it. I don't see it as a large issue for conventional, publicly traded companies that are very worried about their brand and reputation. We've also dealt with the competition between countries by setting a minimum corporate income tax, so I think this issue is diminishing in importance.

● (1805)

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you for that.

I'll turn to the monetary policies of the Bank of Canada and the U.S. Federal Reserve, the Fed.

If I understand you correctly, you're critical of the fact that the Bank of Canada drove the interest rate so low. You believe it should never have done that.

What are your thoughts on current monetary policy management by both the Bank of Canada and the Fed?

[*English*]

**Dr. Ian Lee:** I don't want anyone to think that I'm just a professor sitting in the ivory tower. I do read. I promise you that I do study this intensely.

Mohamed El-Erian, the very distinguished chief economist, formerly with PIMCO and now with one of the major European financial institutions, was extremely critical of this. He said they drove rates far too low. So did Lawrence Summers. We knew what would happen. When you cut interest rates to that level, it is the same as making a very steep tax cut. You're introducing huge amounts of stimulus. We tend to think of stimulus as only fiscal and not monetary.

What happened? Well, people did exactly what we would expect them to do—they went out and borrowed like there was no tomorrow. I don't think we caused inflation—as we all know, it was caused by the shutting down of supply chains—but we certainly exacerbated inflation.

Very quickly, to your question, I support the interest rate increase, because I don't believe there's any other effective tool in all the western countries that have studied this. It's a blunt, harsh tool, but it works. I lived through it when interest rates hit 20%. We killed inflation under Governor Bouey and Governor Volcker. They brought inflation from 14% down to zero, basically.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you very much for those answers. I'll probably have a chance to ask you more questions in the second round.

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

[*English*]

Now we'll go to MP Davies.

**Mr. Don Davies:** Thank you, Chair.

Dr. Da Silva, you said the availability of dental care for individuals with developmental disabilities can be problematic due to the shortage of dentists and dental hygienists who are willing or trained to provide treatment to this group. What are the principal barriers preventing dentists and dental hygienists from providing treatment to individuals who have developmental disabilities?

**Dr. Keith Da Silva:** I think for many it's a lack of exposure during training to deal with the complex issues or complex medical needs that many individuals with disabilities have. For one thing, there's a lack of comfort level, which may deter them from realizing they can, with practice or mentorship, work on that. It's not really structured into education or post-graduate training unless you're in a specialty that deals with it.

There could also be some physical barriers with equipment, such as specialized chairs that can accommodate wheelchairs, or lack of access to hospital service, where a lot of these individuals need to be. Lots of hospitals or dental departments within hospitals have had cuts over time, so it's very hard to get them there.

**Mr. Don Davies:** To give us an idea of the scope of the problem, if you can, what portion of Canadians with developmental disabilities currently lack access to dental coverage?

**Dr. Keith Da Silva:** I don't know if I've ever seen a national survey or percentage on that, but I imagine it would be pretty high. Almost 60% to 70% would have some challenges, whether it's with transportation, accessibility within an office or finding a provider within a reasonable range of where they are.

**Mr. Don Davies:** To what degree do the funding levels provided by existing public programs derogate from provincial dental fee schedules?

**Dr. Keith Da Silva:** Is that for those with special needs or just in general?

• (1810)

**Mr. Don Davies:** It's for both.

**Dr. Keith Da Silva:** It varies by province. Some of the lowest I've seen could be in the 30% to 40% range. I've seen some provinces—Saskatchewan, for example—in the 70% to 80% range. It varies quite considerably. It depends on how often each province or payer of a plan re-evaluates their fee and reinvests into it. We'll say that some are worse than others.

**Mr. Don Davies:** It's my understanding that most plans, whether private or provincially delivered, provide inadequate funding for sedation, general anaesthesia services or extra units of time for, say, non-verbal patients, which are often required by individuals with developmental disabilities. What advice would you give us in that regard as we develop the CDCP?

**Dr. Keith Da Silva:** Again, the needs of individuals with disabilities are more complex. The plan should reflect that. Most of the codes based on time.... It almost takes twice as much time to deal with some of these patients. We see that with pediatric patients as well, even healthy ones. It may take more time for them.

For the standard formulas that may be used to decide fees, if there is a time component, it needs to be adjusted for the extra needs some patients have. That could be for seniors as well or those with more issues.

**Mr. Don Davies:** Professor Lee, if I caught your testimony correctly, you said that inflation was caused by the “shutting down of supply chains”. Is that what you think is the principal cause of inflation, not deficits?

**Dr. Ian Lee:** Deficits contribute to inflation over time, I believe. However, in this specific context, we had stable inflation from 1981 until the pandemic. Then we shut down the supply chains, and we know the reason why. We didn't realize how complex they are. I believe we thought we could just turn on a switch, they would all flow back in and everything would be fine.

In that instance, it was about shutting down the supply chains, but you're asking about deficits. We've seen countries—Argentina is exhibit A—let their deficits get out of control.

Yes, it can be. Friedman wrote about that.

**Mr. Don Davies:** The country I'm thinking of is the United States, which right now is performing much stronger economically than Canada but has a deficit of—I've seen figures—between six and eight times higher than ours, as a percentage.

How do you explain that?

**Dr. Ian Lee:** I can. I talk about it in my classes all the time, believe me.

The United State is *sui generis*—unique. It is truly in a class of its own. It is the world's superpower and the world's reserve currency because it has the largest economy in the world. They can do things that ordinary mortals cannot do in other countries.

**Mr. Don Davies:** How am I doing for time?

**The Chair:** You have another minute.

**Mr. Don Davies:** Okay.

Professor Lee, I'm old enough to remember the 1980s. In the 1980s, we saw the birth of what was called “neo-liberal economics”. We saw the introduction of that, and I think it has continued to this day. We've had lower corporate taxes. We've pursued liberalized trade, signing trade agreements and removing most tariffs. We've pursued deregulation in everything. We sold off Air Canada and deregulated the airlines. We sold off Petro-Canada. We have fewer regulations today, certainly, than we did in the 1980s. However, spending on machinery and equipment by businesses and on R and D and innovation in Canada has been falling as a share of GDP, dating right back to the beginning of the century.

Can you explain that to me?

**Dr. Ian Lee:** I think I can, and forgive my arrogance. I read a ton on this.

I've come to the conclusion—I think Senior Deputy Governor Rogers, David Dodge and many others have too—that it's because we have too many protected industries. We don't even have free trade in Canada among the provinces. The IMF estimates that if we had genuine free trade between B.C. and Ontario, etc., it would be the equivalent of a 22% tariff reduction. That's massive in terms of the impact on GDP.

We've met the enemy and it's us. We've done it to ourselves. Our banking is protected. Our airlines are protected. The fees are twice as large. I mean, dairy is protected, as we all know, through supply management. We have many protected industries.

I'm as cynical about business as any progressive, and I'm not a progressive. I'm a fiscal conservative. I don't hide it. Corporations—

**Mr. Don Davies:** We noted that.

**Voices:** Oh, oh!

**Dr. Ian Lee:** Corporations will not compete if they don't have to. We have to make them compete.

Make them compete. Open it up. Remove all protection for these companies.

• (1815)

**The Chair:** Thank you.

That's the time, MP Davies.

We'll give a bit more time to everybody. We have another 10 minutes or so. That's two or three minutes for each party.

MP Chambers, go ahead, please.

**Mr. Adam Chambers (Simcoe North, CPC):** Thanks very much.

Dr. Da Silva, I want to talk a bit about program design. The dental care program today doesn't have a lot of dentists signed up. Do you think it would have been more advantageous to use the existing provincial programs, which already had dentists signed up across the country, to deliver the same benefit?

**Dr. Keith Da Silva:** At least anecdotally from having worked in Ontario and now in Saskatchewan, I think if it was a carbon copy of the provincial plans, you may have fewer dentists wanting to be involved. There's a historic distrust between provincial plans and the dental profession, because they've only ever been clawed back. The issue with administrative burden comes from having to deal with lots of these provincial plans.

I think there's some optimism for the federal—

**Mr. Adam Chambers:** Would it surprise you to learn that a billion dollars of this spend is going to administration?

**Dr. Keith Da Silva:** I never heard that, but—

**Mr. Adam Chambers:** Yes. Some \$750 million is going to Sun Life and almost \$200 million is going to Health Canada.

**Dr. Keith Da Silva:** In my public health work, I've done evaluations for a lot of plans, so I know that's a realistic cost for development because of the upfront infrastructure that has to be in place, particularly on the timeline to get this out there.

**Mr. Adam Chambers:** We've heard testimony and it's been reported in the news that some employers are trying to carve out those who will become eligible for the plan. Do you think that's a concern?

**Dr. Keith Da Silva:** In our current system, I think it is, because the projection for those who will enrol is based on the idea that there are many with private coverage within the income ranges.

I don't know if there is the capacity at this time to do this should private plans or employment-based insurance start to disappear. I think one of the earlier points made when it was first launched in some of the groups was that this could be—

**Mr. Adam Chambers:** It's the uploading of costs.

**Dr. Keith Da Silva:** Yes.

**Mr. Adam Chambers:** There are also some provinces advocating for that role now.

If you were, hypothetically, advising a patient with a private plan who called you and said, “Since there’s a new federal plan, should I leave my current private coverage and join the public plan?” what would you advise them to do?

**Dr. Keith Da Silva:** I would probably tell them to continue as they are, because they’re more familiar with what they have. There are some private plans that cover less as a percentage than some of the public plans, but at the same time, what’s covered and what’s not are still very new.

If they have an existing plan and services they’re comfortable with, I’d say to keep that.

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

**The Chair:** Thank you, MP Chambers.

Now we’ll go to MP Baker for two to three minutes.

**Mr. Yvan Baker:** Thanks very much, Mr. Chair.

I want to come back to Mr. Lee, if I could.

On the topic of competition, I’m of the view that we talk a lot about competition at this committee. In particular, and you mentioned it, my view is that we don’t have enough competition in a few sectors in this country—airlines, telecommunications and banking come to mind. I think you mentioned one or two of those in an earlier response.

What would we have to do to meaningfully increase competition in those three sectors?

**Dr. Ian Lee:** Please believe me, thank you.

We have to remove the legislative protections that protect those firms against external competition. I know there are people who will say, “Oh, my goodness” to that. I’m unionized, by the way, at the university, and I hear union colleagues saying, “Oh, my goodness, if they come in, we’re going to create massive unemployment.” I don’t believe it. I lived through Balcerowicz, when he did the cold shock therapy of 1993 to 1995 and Poland was destitute, impoverished and bankrupt. For 24 months they went through a deep recession, and then Poland took off. No other country, the IMF has evaluated, has been as successful in the post-Communist era as Poland, and they adopted all the pro-market reforms we’re talking about.

We have to open it up. I don’t believe there will be mass unemployment. The new entrants will employ the Canadians who are laid off by Bell or Rogers—that’s great—or the other industries that are opened up. It would create growth and create productivity, not unemployment, if we open them up and remove the legislative prohibitions against foreign firms coming in. Let Verizon come into Canada.

• (1820)

**Mr. Yvan Baker:** Could I ask you specifically about airlines? I ask because an example has been raised.

All of the sectors we have just talked about have significant barriers to entry, but I want to focus on airlines. Are you recommend-

ing open skies in Canada? Should United Airlines, American Airlines, etc., come in and be able to fly point to point in Canada, from Toronto to Vancouver or from Toronto to Montreal, whatever the case may be, on whatever routes they so choose?

**Dr. Ian Lee:** Yes.

I have been challenged on this. Some have said we’ll lose our Canadian identity. I have flown on Lufthansa and I’ve never learned how to speak German.

**Voices:** Oh, oh!

**Dr. Ian Lee:** I have flown on Aeroflot and I’ve never learned to speak Russian. I have not been assimilated by flying on other airlines just because they have a foreign flag. We will not lose our Canadian identity.

I’m in Hilton Head. I flew on United Airlines to get here, and I’m every bit as Canadian as the day I left.

**Mr. Yvan Baker:** Is that my time, Mr. Chair? I was just getting started.

**Voices:** Oh, oh!

**Mr. Yvan Baker:** Thanks very much.

**The Chair:** Thank you, MP Baker.

We were wondering where you were, Mr. Lee. It’s Hilton Head.

We’re at MP Ste-Marie, please.

[*Translation*]

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

I would add that, having flown Air Canada and other Canadian airlines, I didn’t get more service in French.

**Voices:** Oh, oh!

**Mr. Gabriel Ste-Marie:** Mr. Lee, you often refer to Schumpeter’s thinking. You even mentioned the theory of creative destruction. Would you draw a parallel between this tool developed by Schumpeter and the current wave or cluster of innovations in artificial intelligence? Do you think this is a good example that will lead to the process Schumpeter explained?

[*English*]

**Dr. Ian Lee:** Schumpeter talked about this long before we suddenly discovered in the current contemporary era that there’s a tendency to “oligopolize” in new industries, so we get all concerned about that. All I can remind everybody of is what Schumpeter said: There is no such thing as a permanent monopoly. All monopolies break down if you allow entry and you reduce barriers to entry. Some smart entrepreneur out there will figure out a way to go around the oligopolist or the monopolist because they’re making so much money.

That's why "creative destruction" comes from these innovative attempts to smash the existing market power of existing large players. I'm not worried about AI dominating technology. I'm not worried about Meta. Competitors will emerge. Apple is already losing market share on their phones. Competition will address this if it's allowed to.

[Translation]

**Mr. Gabriel Ste-Marie:** If I'm not mistaken, Schumpeter was more pessimistic toward the end of his life. He was concerned about a trend toward bureaucratization and monopolization. He said, regretfully, that if that trend were to continue, it would lead to socialism.

Do you agree or disagree with that vision? Am I misrepresenting the last few years of Schumpeter's work?

[English]

**Dr. Ian Lee:** I'll be very quick.

I think you're referring to his final book, *Capitalism, Socialism and Democracy*, but that was a cultural interpretation. He said that capitalism is the most efficient form of all. It will be destroyed because of what he called "the sociology of the intellectual"—people like me. Well, it's not me literally, but it's that intellectuals don't like markets. We don't like business. We don't like competition.

All you have to do is listen to any professor on CBC, CTV or Global. About 98% of them will verify that. We have this hostility, this deep philosophical opposition. For those who say I'm wrong, please read "The Sociology of the Intellectual". It's in chapter XIII in *Capitalism, Socialism and Democracy*. It's the most brilliant exposition ever of how and why intellectuals think the way they do.

• (1825)

[Translation]

**Mr. Gabriel Ste-Marie:** So the enemy of the innovative business person is a unionized intellectual professor like you. Understood.

Thank you.

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

[English]

MP Davies, you will get the final three minutes.

**Mr. Don Davies:** Thank you.

Dr. Da Silva, I think we all want to make sure that people living with disabilities in this country who have been marginalized—and we have heard this very clearly from you and others—don't have a tough time accessing all health care and, in this case, dental care. If you could give this committee and this government any advice, tell me what you think we should do to address that in the most effective way.

**Dr. Keith Da Silva:** I think you'll see a lot of this come out with the oral health access fund proposals, but one of the challenges I faced as a pediatric dentist.... My speciality area was children, but I treated all adults with special needs, because once they turned 18 or 19, I had nowhere to send them. Some of the work they needed was

outside of my scope and involved denture care, implants and things like that.

There needs to be a pipeline for training programs and mentorship for young professionals to realize that they can treat these patients first. They can be a part of the team, whether it's in screening, basic care or prevention.

I think we also need to improve access to hospital care for those who really need it. Sedation is becoming a little too popular for a lot of patients. Some of the patients with more complex medical needs are on the same waiting lists. It's really about looking into creating more specialized hospital departments to care for those who need these services.

**Mr. Don Davies:** We've seen, in the primary health care field with physicians, the emergence of nurse practitioners. I'm aware of the dental therapist position. Do you see an expanded role for dental therapists through the development of a profession that can bridge the gaps between dental assistants, hygienists and dentists? That might be able to target care.

**Dr. Keith Da Silva:** I absolutely hope so. Right now, I think it's only in Saskatchewan and maybe a few other provinces that dental therapists can practice on federal land. We have a new training program in Saskatchewan, so that workforce will be reinvigorated, but we need pathways to licensure for them across Canada.

Again, if there are those who can provide a lot of treatment, even if not the full scope of dentistry but enough that they can see healthy children with simpler needs, then those of us who specialize can focus more on those who really need our specialty services.

**Mr. Don Davies:** I think it's fair to say the Liberals and the NDP support this plan, but the Conservatives clearly don't. If this plan were cancelled next year, what impact do you think that would have on public health in this country?

**Dr. Keith Da Silva:** This will address affordability for a lot of Canadians. There are still going to be challenges with access, but without this commitment or plan, there will be a lot of adults and seniors in particular who won't have the means to pay for care.

**The Chair:** Thank you, MP Davies.

Thank you, Dr. Da Silva and Professor Lee. We really appreciate your remarks, your testimony and the many answers you gave to questions on Bill C-59 for our work.

We wish you a nice evening. We'll see you again at committee.

Thanks, everybody. We are adjourned.

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