



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Finance

EVIDENCE

NUMBER 048

Thursday, May 19, 2022

Chair: Mr. Peter Fonseca



Standing Committee on Finance

Thursday, May 19, 2022

• (1100)

[English]

The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)): Welcome to meeting number 48 of the House of Commons Standing Committee on Finance.

Pursuant to the order of reference of May 10, 2022, the committee is meeting on Bill C-19, an act to implement certain provisions of the budget tabled in Parliament on April 7, 2022, and other measures.

Today's meeting is taking place in a hybrid format pursuant to the House order of November 25, 2021. Members are attending in person in the room and remotely using the Zoom application. As per the directive of the Board of Internal Economy on March 10, 2022, all those attending the meeting in person must wear a mask, except for members who are at their place during proceedings.

I would like to make a few comments for the benefit of the witnesses and members. Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mike, and please mute yourself when you are not speaking. Interpretation is available for those on Zoom. You have the choice, at the bottom of your screen, of either THE floor, English, or French. For those in the room, you can use the earpiece and select the desired channel.

I remind you 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, and we appreciate your patience and understanding in this regard.

I'd now like to welcome today's witnesses. From the Council of Canadian Innovators, we have Dana O'Born, vice-president, strategy and advocacy; and Nicholas Schiavo, director, federal affairs. From JDRF Canada, we have Dave Prowten, president and chief executive officer, who is joined by Matt Stimpson. From the Native Women's Association of Canada, we have Christian Boucher, senior director, government relations; and Lynne Groulx, chief executive officer. Finally, from Samaritan's Purse Canada, we have John Clayton, director of programs and projects.

At this time, members, we have the opportunity to hear from our witnesses. Each of them will have five minutes for opening remarks.

[Translation]

Mr. Gabriel Ste-Marie (Joliette, BQ): Excuse me, Mr. Chair.

[English]

The Chair: I do see a point of order.

[Translation]

Mr. Gabriel Ste-Marie: I'd like to make a brief point of order.

I wouldn't want this to be seen as a political statement at all, but I'd like to acknowledge the work of one person, whom I consider a friend.

Over the past few months our colleague Mr. Fast has done an exceptional job on this committee. Consistently hard working and well prepared, he has asked thoughtful questions. I've been greatly inspired by Mr. Fast's work on this committee over the past few months, and even prior to the last election. I just want to thank him for his contributions and am tipping my hat to him.

Thank you, Mr. Chair.

• (1105)

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

[English]

Yes, MP Fast is a well-respected and decent man. We were happy to have him on the committee.

We'll now have the opportunity to hear from our witnesses' opening remarks. We'll begin with the Council of Canadian Innovators, for five minutes, please.

Mr. Nicholas Schiavo (Director, Federal Affairs, Council of Canadian Innovators): Good morning to the chair, vice-chairs and members of the Standing Committee on Finance. Thank you for the opportunity to present today on Bill C-19 and the implementation of certain provisions in budget 2022.

My name is Nick Schiavo and I am appearing today as the director of federal affairs on behalf of the Council of Canadian Innovators. I am joined today by CCI vice-president of strategy and advocacy, Dana O'Born.

We are a national business council representing 150 of Canada's fastest-growing companies. Our member companies are headquartered here in Canada, employ north of 52,000 employees across Canada, and are market leaders in the sectors of health, clean, financial technologies, cybersecurity and more.

Following the release of budget 2022, CCI celebrated the strong investments in Canadian innovation. We were pleased to see a focus on supporting Canadian innovators, bolstering intellectual property generation, driving clean economic growth, and doubling down on Canada's fastest-growing sectors. These investments are a critical step to support Canada's rapidly growing innovation sector and ensure we generate true economic prosperity in the knowledge-based and data-driven economy.

However, there is more the government can do to ensure our innovators can scale up and remain competitive in the fast-paced global economy of today. First, Canada's tech sector is facing a skilled talent crisis that is threatening to suffocate innovative companies and slow new job creation. New strategies and investments to train, attract and retain top talent are desperately needed and if done right, these measures will improve Canada's innovation outputs.

The shift to remote work, especially in the tech sector, means that Canada's skilled workers are now part of a global labour market where geography is no longer as important. Our domestic innovators are finding themselves in fierce competition with highly profitable foreign tech giants that can offer significantly higher salaries for the same pool of high-skilled workers.

In April, CCI released our talent and skills strategy, with 13 key recommendations to meet the talent needs of our country's fastest-growing companies. Broadly speaking, these recommendations present ideas for the attraction, generation and retention of skilled talent in Canada.

The federal government has started to work on valuable investments in upskilling, which is an important step forward in generating more skilled talent. Deploying funding in ways that create the maximum benefit for innovators should be a key priority in the months ahead. Recently we have seen Canadian technology companies take the lead in developing their own skills training programs. The federal government should support these types of company-led initiatives and tailor funding to ensure we are generating skills to meet market needs.

Moreover, the government's funding for skills development programs should be bolstered with policies to ease immigration pathways for skilled workers. Immigration is the fastest route to boosting the supply of skilled labour in Canada, and the federal government should consider policies like a high potential tech talent visa, and a digital nomad strategy.

The second item I'd like to speak about is the scientific research and experimental development tax incentive program, lovingly known as SR and ED in the innovation ecosystem. This \$3 billion program is intended to incentivize research and development, but in practice the program is overly complicated, bureaucratic and restrictive. We were pleased to see in budget 2022 that the government is moving ahead with a review of SR and ED to modernize and streamline the program. We are currently undertaking the policy work to offer detailed and substantive recommendations for how to ensure that SR and ED is fit for purpose.

However, in broad terms we believe that SR and ED reform should focus on expanding the tax credit to include intellectual

property as a key component of R and D. In the 21st century knowledge economy, patents and other forms of IP are the most critical sources of economic advantage for firms and economies.

In 2020, more than 91% of the value in the S&P 500 came from intangible assets. As the pandemic continues to drive a wave of digitization, we believe that algorithms, patents, data and other intangible assets will only become more important. As Canada looks towards the postpandemic economy of tomorrow, Canadian intellectual property and its acceleration by programs like SR and ED will be a driving force.

Including a patent box tax structure in SR and ED would be a big step in the right direction to ensure that IP generated in Canada continues to reside in Canada, and we were pleased to see this idea mentioned in budget 2022. We also believe costs associated with developing and prosecuting intellectual property should be eligible under SR and ED.

Lastly, but perhaps most importantly, SR and ED eligibility criteria and processes should be streamlined and clarified. Today, many tech companies rely on costly consultants to help them navigate SR and ED and we would all be much better served if that money were spent on innovation outputs, rather than a cottage industry of professionals who help navigate the thicket of confusing regulations.

• (1110)

To conclude, we are pleased to see budget 2022 offer a number of smart investments for Canada's innovation ecosystem. It's clear that the government is thinking about how best to position the Canadian economy for the 21st century. To ensure they have the maximum impact on our shared prosperity, we look to the government to implement these policies in the most effective and strategic way possible.

Thank you. We look forward to your questions.

The Chair: Thank you, Mr. Schiavo.

Now we'll hear from JDRF Canada.

Mr. Dave Prowten (President and Chief Executive Officer, JDRF Canada): Thank you very much.

Good morning, everyone. My name is Dave Prowten. I'm the president and CEO of JDRF, the leading charitable funder of type 1 diabetes research. Today I'm joined by Mr. Matt Stimpson, who is a person living with type 1 diabetes and also the proud father of a wonderful young woman, Tilly, who's 14 years old and also lives with type 1 diabetes.

First of all, thank you for inviting us back to committee today. We are here again to reiterate our request to propose an amendment to the budget implementation act that would remove or reduce the 14-hour requirement under the “life-sustaining” category of the disability tax credit. This change would make life better for the 300,000 Canadians who live with this disease 24 hours a day, seven days a week.

The 14-hour requirement really is arbitrary and antiquated and has not been changed since 1988. Since then, diabetes management has come a long way and lives have drastically improved, but only with the right supports and technologies.

Type 1 diabetes continues to be a very costly disease for everyone—for individuals, families, the health care system and society overall—so we implore the committee to amend the budget implementation act and call for either a removal of the 14-hour requirement entirely or, alternatively, a reduction in the hours to seven so that more Canadians with type 1 diabetes can qualify.

We know there's a willingness to make the change, as evidenced by the budget's inclusion of additional criteria that will help more people qualify, but there's still a level of interpretation around the amount of time per week of these activities. Our proposal to remove or reduce to seven hours is really not arbitrary. It will be very clean and clear. It will really make it easier for the health care practitioners to approve and improve equity for those with type 1.

The purpose of the disability tax credit is to really ensure that Canadians with a disability are eased of financial burdens. This arbitrary and antiquated requirement for 14 hours is really preventing many with type 1 diabetes from accessing this. Therefore, the policy is not living up to its mandate. It needs to be modernized to ensure it's delivering support to some of the most vulnerable Canadians, who can use the support right now.

In our opinion, we have a very rare opportunity. This is an important change. JDRF has been working on improving the disability tax credit since 2017, so that's five years. The time to get it right is now.

I'm going to turn this over to Matt, Mr. Stimpson, who will share with you his personal experience with the disability tax credit.

Mr. Matt Stimpson (JDRF Canada): Thank you, Dave.

My name is Matt Stimpson. Good morning, everyone.

I'm here today because I've experienced first-hand major issues with the disability tax credit as it stands.

To give you a bit of background, I was diagnosed with type 1 diabetes in 2005. I was encouraged by the nurses at the adult diabetes education centre at the hospital and by my accountant to apply for this because, being self-employed, I have no health care benefits. My daughter was then diagnosed when she was two and a half. As Dave said, she's now 14. Basically for all of her conscious childhood she's had type 1 diabetes. My wife hasn't slept properly for over a decade because she worries about nighttime low blood sugar.

Type 1 diabetes has been a part of our lives for as long as I can remember. We've had to worry about paying for insulin supplies, advanced glucose monitoring devices and insulin pumps. Those

costs exist regardless of how much time is spent per week on management. It really doesn't matter if I spend 14 hours a week or 100 hours a week on management, I am constantly worrying about this condition and my child's condition. It's 24-7 and 365.

We spend around \$1,500 a month for our diabetes supplies that aren't covered publicly. As I said earlier, as a small business owner, I don't have private coverage. The pump supplies are \$300 each per month. Insulin is \$120 per month. We use flash glucose monitors because they're more affordable than the advanced glucose monitors, but they're still \$190 a month. There are test strips at \$60 a month. Glucagon is at \$300 a year. Ketone strips are \$25 per box. Then there are dextrose tablets to deal with the daily lows.

In the past, my family doctor refused to sign forms simply because he didn't agree that spending 14 hours a week managing my diabetes was realistic. However, he had no trouble signing Tilly's forms, and we have exactly the same disease. It's inequitable. Some people are approved and some people aren't, even if they have the same condition.

Unfortunately, if you're not aware of how to fight and advocate for yourself, you end up with the shorter end of the stick. The current eligibility process is a bit of an administrative nightmare. I strongly believe that time spent on type 1 diabetes is irrelevant, because it doesn't affect the thousands of dollars per year that it costs me and my family to survive.

Lastly, I'd love to thank JDRF for all their continued advocacy.

I appreciate the opportunity to appear before this committee. I truly hope you'll support the proposed amendment and remove or reduce the 14-hour threshold to make the disability tax credit more equitable and accessible for all Canadians living with type 1 diabetes.

Thank you.

• (1115)

The Chair: Thank you.

Thank you, Matt, for sharing your story.

We'll now hear from the Native Women's Association of Canada.

Members, just to let you know, the Native Women's Association of Canada will only be able to be with us until noon, so, if you do have questions for them, you may want to focus those in the first part of our meeting.

Go ahead for five minutes, please.

[Translation]

Ms. Lynne Groulx (Chief Executive Officer, Native Women's Association of Canada): Thank you, *meegwetch*, Mr. Chair and members of the committee, for inviting me to speak to you today.

I'd like to point out that we are gathered on the traditional unceded territory of the Algonquin Anishinabe people, who have lived on this land since time immemorial.

My name is Lynne Groulx and I'm chief executive officer of the Native Women's Association of Canada, or NWAC. With me today is Christian Boucher, director of government relations.

NWAC is the national indigenous organization and political voice for indigenous women, girls and people of diverse gender identities in Canada, including first nations on and off reserve, status and non-status, as well as the disenfranchised, Métis and Inuit. NWAC is the largest indigenous women's group in Canada.

[English]

For over 48 years, NWAC has brought together indigenous women across the country from all provinces and territories with a collective goal to enhance, promote and advocate for human rights of indigenous women—that is, for the social, political, economic, cultural and well-being of indigenous women, their families and communities.

Through advocacy, legislative analysis, policy, programs and direct service delivery, NWAC works each and every day to preserve indigenous culture, advance the well-being of indigenous women and speak out about racism, discrimination and violence in all of its forms.

While budget 2022 contains some meaningful and long-overdue investments, it is clear to NWAC that more needs to be done to end the systemic violence and gross human rights violations faced by indigenous women, girls and 2SLGBTQIA people.

Today I would like to focus on five main issues: one, MMIWG; two, housing; three, health care infrastructure; four, food security; and, five, over-incarceration. You will notice that these all deal with basic human rights.

First, on missing and murdered indigenous women, girls and two-spirit people, budget 2022 mysteriously contains no new funding for action. While the budget cites some funding committed in budget 2021, to see such a glaring lack of recognition and lack of investment in budget 2022 to answer the 231 calls for justice is alarming. We don't even know if or where the funding from 2021 was disbursed.

The national inquiry handed down 231 legal imperatives, not 231 recommendations and not 231 suggestions; they are legal obligations. The issue of missing and murdered indigenous women and girls we know amounts to a genocide. This is the conclusion of

a \$92-million inquiry with thousands of hours of testimony and a 1,000-plus-page report. We expected to see the federal government take action in a concrete way in this budget. That means committing additional and necessary funding to end this genocide of indigenous women and girls.

Also mysteriously, there was no mention of MMIWG or indigenous women in Minister Miller's statement of accomplishments following his 100 days as minister of Crown-Indigenous Relations issued on February 7. We at NWAC just want women to be safe, and we need dedicated resources to ensure that this happens.

Second is housing. Housing was hugely underfunded based on the Canada Mortgage and Housing Corporation and the national housing advisory's own recommendations for over \$4 billion per year for 10 years to effectively address the housing crisis. This budget, however, only commits \$4 billion spread out over seven years. While this funding will have some impact, it will not end the housing crisis faced by indigenous people, especially in remote and isolated communities where the cost to build and maintain housing is higher.

The impact of decent housing on the safety, security and health of indigenous women and their families cannot be understated. The housing crisis in many indigenous communities has gone on for far too long. We have to see an end to the situation of houses that need major repairs, including houses with mould, overcrowding, and extremely long wait-lists.

There is also an issue with couch surfing and homelessness. We still have children being removed from houses because they do not have their own bedrooms.

• (1120)

Third, there is health care infrastructure. In budget 2022, increased investments to improve health outcomes in rural and northern first nations communities are not long-term commitments, because funding is only guaranteed for a single year.

NWAC would like to see more long-term investments in health care infrastructure in all indigenous communities. This was a glaring omission in the wake of the shocking treatment and subsequent death of Joyce Echaquan. Indigenous people seeking health care must be able to do so, without fear, in a safe and culturally appropriate environment. First of all, of course, it needs to be available.

The COVID-19 pandemic exposed significant socio-economic and health inequities faced by indigenous people in Canada. Inequities can no longer be denied or ignored. This budget and subsequent BIA does little to address the needs of indigenous people and their communities in this situation.

The Chair: Ms. Groulx, I apologize for interrupting, but you need to wrap-up shortly. You have a few seconds left.

Ms. Lynne Groulx: I did mention the five areas, and I'm going to repeat them with an emphasis on the final point. It deals with the situation of over-incarceration. We would like to see an investment in the system to end the overrepresentation of indigenous women in federal prisons, who now make up 50% of the prison population when they represent only 4% of the national population.

Thank you very much for your time.

The Chair: Thank you, Ms. Groulx, and you will have an opportunity to expand on that during members' questions.

We're now going to hear from Samaritan's Purse Canada, for five minutes please.

Mr. John Clayton (Director of Programs and Projects, Samaritan's Purse Canada): Mr. Chair and members of the finance committee, thank you for the opportunity to appear before you today concerning Bill C-19, the budget implementation act, and specifics related to charities.

I've spent 30 years working in the charitable sector. Back in August 2019, Samaritan's Purse studied the Senate report on the charitable sector, specifically the pages concerning CRA direction and control. We decided to pursue changes to ITA legislation to correct problems we and many other charities in Canada have been experiencing. Samaritan's Purse then joined Cooperation Canada, where I am co-chair of the direction and control working group.

I don't know the precise history, but about 70 years ago the Government of Canada enacted legislation in the ITA that enabled charities to function but required that they only pursue their "own activities". Subsequent to this, the CRA policy was developed around this idea.

I need to mention that the idea of "own activities" is unique to Canada. No other country uses this concept and every other country has found ways to hold non-profits accountable without using the idea of "own activities". It is the cause of the problems we are dealing with today and the issues within the budget implementation act.

Cooperation Canada, Imagine Canada and Philanthropic Foundations Canada, together with a group of Canada's leading charity lawyers and Senator Omidvar, worked together for the last two years bringing forward Bill S-216. Bill S-216 would have eliminated "own activities" requirements, but in the last days, and after two years of advocating for changes to the Income Tax Act, this year's budget announcement indicated that the charitable sector's concerns had been heard. We were grateful for this and considered it a great success.

However, our initial euphoria turned to concern when the details of the BIA emerged. The BIA proposes changes to the Income Tax Act that would add new rules allowing charities to make "qualifying disbursements" or grants to non-qualified donees. The qualify-

ing disbursement mechanism is a workaround to the problem of "own activities". The BIA claims this would provide the needed funding mechanism for charities to work with non-charities and that this was in the spirit of Bill S-216, but what the BIA proposes is not in the spirit of Bill S-216. Instead, it would add 800 words of tightly defined, inflexible and prescriptive terms and conditions to the ITA.

The BIA's proposed qualifying disbursement mechanism will not work and will not be used by charities. Charities need to work with non-charities. This happens in Canada and around the world. The ways these partnerships and arrangements take shape are complicated and are determined by contextual realities, current events, cultures and a myriad of other factors.

I'll give some examples. In the last month, Samaritan's Purse, my organization, and many other organizations have responded to the Ukraine crisis. We are currently working with 17 local partners across Europe that are providing assistance to Ukrainian refugees. Another aspect of international work is that many charities are affiliated parts of larger networks. When they come together to respond to events like Ukraine, they need to be able to easily combine or pool their resources in a common response. This increases effectiveness and efficiency. Other charities are engaged in long-term development projects involving multiple partners, complex programs, funders and local governments. Lastly, within our own country, the government provides funding to charities, expecting them to work with community groups, marginalized, racialized and indigenous groups, and other non-charities.

I need to make it clear that the BIA's proposed inflexible terms and conditions don't work in any of these contexts. The qualifying disbursement mechanism would provide a one-size-fits-all regulatory straitjacket. The qualifying disbursement mechanism doesn't fit the real world. With this approach, we appear to be taking the problems of "own activities" and making them worse. Charities will avoid using this mechanism and its codified rules in the ITA because any failure to perfectly comply would result in a loss of charitable status.

If the BIA proceeds as is, we would see a combination of ITA regulations, CRA policy and a regulatory hierarchy that would be complicated and confusing. This should not be allowed to happen.

If we're going to work around the problem of "own activities", we need to make amendments to the BIA to connect a qualifying disbursement mechanism to the practical realities and operations of charities. We all acknowledge the need for accountability. The CRA needs to monitor and enforce policy when tax-protected dollars are involved. The charities themselves are concerned about integrity and the public trust that they must preserve with their donors.

• (1125)

Nobody is asking for relaxed or reduced accountability. We need appropriate accountability for practical, workable mechanisms for engagement with non-qualified donees. The BIA as is will not provide this. The committee already heard earlier this week from Bruce MacDonald of Imagine Canada and has received a detailed briefing note from the three organizations, Imagine Canada, Cooperation Canada and Philanthropic Foundations Canada, which was signed by 66 significant Canadian charities.

If I have time, I'd like to restate the three specific amendments we are seeking: to refine—

The Chair: Mr. Clayton, I'm sure you're going to have an opportunity during question time to do that, but we are well over already the time—

Mr. John Clayton: Okay.

The Chair: —for the opening remarks.

We thank you, Mr. Clayton, and all the witnesses for your opening remarks. We're going to move quickly into members' questions, so they have all the time they need.

In the first round, each party will have up to six minutes to ask witnesses questions. We'll begin with the Conservatives, and I have MP Stewart up for six minutes.

Mr. Jake Stewart (Miramichi—Grand Lake, CPC): Thank you, Mr. Chair.

I'd like to thank all the witnesses for being here today, and I give a special shout-out to JDRCF. I'm very encouraged that you're here again today, and my questions will be for you today.

My first question is for Matt Stimpson. When we talk about type 1 diabetes, we often look at it from the view of children who have diabetes. However, these children become adults.

Could you explain the difficulty adults with type 1 diabetes have in accessing the disability tax credit. Is there equal access?

• (1130)

Mr. Matt Stimpson: Personally, I don't feel so because I've had to really justify my position to just get the forms signed versus for my daughter, for whom there was no question. They just signed them and it was fine.

Type 1 diabetes can hit you at any age. I was diagnosed with type 1 diabetes when I was 32, so we should try to get away from the fact that it's juvenile diabetes. It's type 1 diabetes. Yes, there is a huge disparity, even between doctors. I've heard all sorts of stories. I've had to pay an endocrinologist \$100 to sign a form because that's what they charged.

Mr. Jake Stewart: Thank you for that. Clearly there seems to be an arbitrary battle between doctors and bureaucracy.

Is the government proposing now to allow the counting of exercise restrictions or regimes as part of the calculation of the 14 hours of life-sustaining therapy? Does JDRCF know what this means? Does this create confusion where some with type 1 diabetes who walk to work may not be eligible, but someone who trains for a marathon is? How are patients and doctors supposed to interpret this? Is there potential for the Canada Revenue Agency to apply this in an inconsistent way and on an arbitrary basis?

Mr. Dave Prowten: I'll take a crack at that one. I would say that there are encouraging revisions that are being proposed, but I do think there is a degree of arbitrariness to them, because these would be open to interpretation from a health care practitioner. That is really why we are proposing the reduction in hours or the elimination of the hours, because at the end of the day, you do need life-sustaining therapy. Insulin is, by definition, a life-sustaining therapy. We are trying to remove the arbitrary nature of these terms right now.

Mr. Jake Stewart: Thank you. I appreciate your answer, and you'll be happy to know that I'm proposing an amendment that will be used during the clause-by-clause consideration of the bill. I'll get to that in my second round with you today.

As my final question for this round, I would ask you, Mr. Stimpson, do you currently qualify for the DTC?

Mr. Matt Stimpson: Yes, I do.

Mr. Jake Stewart: You do?

Mr. Matt Stimpson: I do.

Mr. Jake Stewart: Did your daughter qualify for the one-time \$600 payment for persons with disability related to the COVID pandemic?

Mr. Matt Stimpson: Yes, she did.

Mr. Jake Stewart: Okay, that's good, because as national revenue critic, I've received emails where effectively two people with the same medical condition in the same household didn't receive the same benefit. I've seen other situations—

Go ahead, sir.

Mr. Matt Stimpson: I would fall into that category. My daughter got it, but I didn't.

Mr. Jake Stewart: Yes, I appreciate your answer. It really shows what bureaucracy and not having a concise plan can do to people living with type 1 diabetes. I appreciate your answers here in this first round.

Thank you.

The Chair: MP Stewart, you still have two minutes. It was my mistake earlier. My apologies.

Mr. Jake Stewart: I think the chair just admitted that I'm his favourite.

The Chair: It's still two minutes.

Mr. Jake Stewart: Thank you, Mr. Chair.

For this last round, could either of you just shed a little light on the disability tax credit really quickly and talk about how it's not working for everyone with type 1 diabetes?

Mr. Dave Prowten: I'll take a quick crack at this.

Mr. Stimpson gave a great example. He has two members in his family; one got it automatically and one had to sort of fight to get it. We hear that story a lot. We did a survey of our constituents base and 43% said they were either denied or had difficulty getting it. It's very odd to us that there would be that significant of an amount.

The other question I would pose is what happens when Matt's daughter Tilly becomes an adult and she has to reapply because you have to reapply for the disability tax credit? Does she then lose something that she's had?

We are concerned about different stages in the process for all the families and people living with type 1 diabetes.

• (1135)

Mr. Jake Stewart: I have little bit more time.

I have one more thing. Is there a medical or a common sense reason the government doesn't allow the counting of carbohydrates as part of the 14 hours per week? It seems to be important to properly count the carbs to avoid overdosing in insulin.

Mr. Matt Stimpson: Yes, I don't understand that either because I've not met a non-diabetic who carb counts. That's a huge part of our diabetes management, even to the point where my endocrinologist suggested I buy little remote scales that I can take into a restaurant to weigh food, which doesn't sound particularly practical as your food is being served.

I've never understood that. I would always push for that to be included because it's such a huge part of diabetes management. We have to consider everything we put into our mouth.

The Chair: Thank you, MP Stewart.

The Chair: Now we'll hear from the Liberals.

MP Dzerowicz, you have six minutes please.

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

I want to thank all the presenters today for their very important contribution to our deliberations.

Before I begin my questions, I, too, want to both acknowledge and thank Mr. Ed Fast for his contributions to this committee. He'll be missed, so I wanted to make sure that we began with that.

All my questions are going to be directed to the Council of Canadian Innovators.

Mr. Schiavo, one of your comments was that some adjustments are needed in the immigration pathways for skilled workers.

Could you explain, in the context of Canadian innovators, how you're defining the skilled workers you're looking for and what specifically are you looking to have changed within the immigration system?

Mr. Nicholas Schiavo: Thank you for that question.

As we mentioned, we're putting forward a number of recommendations in terms of getting more skilled talent to Canada. In addition to upskilling, we think the fastest route to get that skilled talent to our innovators is through the immigration system.

We are a designated partner in the global talent stream, so we are very accustomed to working with government to get the right people where they need to be. Unfortunately, a number of restrictions on those programs don't go far enough.

I would also add that in our conversations with folks at IRCC, we know that there is a major backlog as a result of the pandemic.

To your point, some of the key recommendations that we are proposing are the development of a digital nomad strategy and a high-potential tech visa.

These aren't silver bullets. There is no silver bullet for talent, but the idea behind both of these is how to bring more skilled talent to Canada in an easier way and increase the labour density. The idea is that the more skilled talent is nearby our Canadian innovators, the more they integrate into our communities and into our economy and ideally choose to work for those Canadian companies.

These are two very innovative strategies that we would love to see developed. I think they are in line with the spirit of budget 2022.

In addition to that, we're just pushing IRCC to be more ambitious. Instead of that two-week timeline for the global talent stream, could we move that to 48 hours? Could we develop a concierge service, so that folks who come here as skilled talent have an easier time integrating into permanent residency? There are a number of solutions—

Ms. Julie Dzerowicz: Mr. Schiavo, I do have to move on. I have two other big questions to ask you.

Mr. Nicholas Schiavo: By all means.

Ms. Julie Dzerowicz: I think I have the gist of it.

I do want to let you know that we have a global skills talent stream. It does allow some of the top talent in the world to be able to be admitted within our immigration system within a two-week time frame. There is an additional cost for it, but that's something I would encourage you to look into, if you do not know about it. I appreciate your recommendations.

I have a question for you around your comments with regard to a patent box. I know that you're very supportive of that. I want you to define a patent box regime and explain what impact it will have on our ability to protect Canadian IP.

Mr. Nicholas Schiavo: For this one, I think it might be better to hear from our vice-president. Dana can field that one.

Ms. Dana O'Born (Vice-President, Strategy and Advocacy, Council of Canadian Innovators): Perfect. Thank you so much, Nick.

Effectively, a patent box regime is a tax treatment for how patents are basically manifested in a certain jurisdiction. This actually came about from a couple of our members, one of them out in British Columbia. AbCellera had been given the advice from some of their consultants to offshore their patents to lower tax jurisdictions to be able to get the most benefit out of them.

Effectively, a patent box is a tax treatment to ensure that patents stay in Canada and work for the benefit of Canadians.

• (1140)

Ms. Julie Dzerowicz: I think what I'm hearing is that it's really a lower tax regime—

Ms. Dana O'Born: Correct.

Ms. Julie Dzerowicz: —that will basically incentivize R and D. Basically, by doing that, it will be ensuring that we keep the IP in Canada. Thanks for that.

We heard the other day that we need an IP strategy that also focuses on the freedom to operate. Would you agree to that as well?

Ms. Dana O'Born: Yes.

Ms. Julie Dzerowicz: Freedom to operate is basically a strategy that by protecting our own Canadian IP and then finding a way to ensure that the products that are sold.... Basically, it's that you understand how we are able to sell and move forward along the chain without infringing on other companies' IP rights. Okay. So that's helpful.

We also have the Innovation Asset Collective. There was also a recommendation that we need to massively increase the investment in the Innovation Asset Collective—one, in terms of educating around IP, and two, in creating a culture of IP protection. Would you also agree with that?

Ms. Dana O'Born: Yes, indeed. Perhaps I could briefly expand on that comment.

Ms. Julie Dzerowicz: Sure.

Ms. Dana O'Born: The Innovation Asset Collective was announced in, I believe, budget 2019, right before everything in the world changed. It was given \$30 million as a pilot program, effectively, but it had a focus on digital and clean technology. You probably heard from one of our colleagues, Jim Hinton, about the expansion of the patent regime under the IAC.

Indeed, CCI agrees full-heartedly that it should be expanded and made permanent, and expanded into other sectors as well.

The Chair: Thank you.

Thank you, MP Dzerowicz. That's the time.

Ms. Julie Dzerowicz: Thank you so much.

The Chair: We'll now hear from the Bloc and MP Ste-Marie.

[*Translation*]

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

I'd like to begin by wishing all my colleagues a happy Vyshyvanka Day. We have not forgotten the ongoing war in Ukraine, and we stand in solidarity with the Ukrainian people. Our wish is for peace to prevail as quickly as possible.

Also, I would like to welcome your Ukrainian intern with whom I just had a brief opportunity to speak. Her French is impeccable, she's fluent in five languages, and she just told me about the situation her family is facing. Once again we wish to reiterate our solidarity with the Ukrainian people on this Vyshyvanka Day.

I have a comment for Mr. Clayton from Samaritan's Purse Canada.

Mr. Clayton, thank you for your very clear explanations. As you noted, we've heard from other witnesses, such as Mr. Macdonald, who clearly described the problem. I sincerely hope this committee will move amendments to rectify the situation.

As you mentioned, Mr. Chair, the Native Women's Association of Canada representatives will be leaving shortly. I'd like to take this opportunity to acknowledge Mr. Boucher and Ms. Groulx. *Kwe.*

I'd also like to give Ms. Groulx the opportunity to finish her presentation, if she'd like.

Ms. Lynne Groulx: That's very kind. Thank you very much for this opportunity.

[*English*]

I will continue. I have been given an opportunity to continue with a few points that I wanted to make.

There was one on food security. Food security has been an ongoing and serious problem in indigenous communities, which was only exacerbated by the COVID-19 pandemic. Now communities are struggling due to the rising costs with inflation. While budget 2021 did provide funding to expand the nutrition north Canada program, budget 2022 contains no new investments to improve food security in indigenous communities. As food prices skyrocket across the country, more funding is desperately needed to appropriately address this crisis. In the Métis language that we speak, there is only so much macaroni you can eat.

Something has to be done about this. Our communities are getting sick from this kind of food they're eating. It is not quality food. This is something that's happening.

Finally, I did want to speak a little bit longer on the incarceration. We know that it's completely out of control. Report after report is coming out. Indigenous women make up 50% in federally sentenced prisons and they only represent 4%. In Manitoba and Saskatchewan, it's absolutely shocking that indigenous women are 85% of the population of these prisons. A large-scale injustice is being perpetrated in Canada. We have a pipeline from residential schools to prisons.

The over-incarceration of women has been recognized as a crisis, even at the international level with the UN special rapporteur. It's a form of violence against women. We need to start untangling this tangled web that we have called "colonization". When and how are we going to start?

Investments have to be made in communities. We have to provide communities with resources, so that we can take some of these situations in our own hands and have programs—healing programs—to keep our women out of prisons and, when it is possible, to do so in the community.

These are the points I wanted to make. I appreciate the extra time that you've given me. Thank you.

• (1145)

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Ms. Groulx. *Meegwetch.*

You raised five very important concerns that we've taken note of. I thank you for sharing them with us.

Have you and your organization had time to peruse the 440 pages in Bill C-19?

You've accurately outlined what may be missing and what your concerns are, in general. Is there anything in Bill C-19 that you feel strongly about? Are there any amendments that you think could be made to improve it?

Specifically, what does the budget have to offer and what does it still urgently need to address?

Ms. Lynne Groulx: Thank you. That's a great question. We have indeed had the opportunity to look at the bill a little bit.

The main thing for us is everything that needs to be done in connection with missing and murdered indigenous women and girls, or MMIWG. There really needs to be an investment in whatever form that takes. It's urgent. There are programs in the communities that could operate at a cost that is not excessively high. We really have to revisit that. Again, this is urgent.

Statistics have just been released on incarcerated women, but with respect to murdered and missing women, things are continuing. Something isn't working. We need to empower our women and our communities to put these programs in place. We need resources to do this.

I really want to emphasize this point. There is nothing in the budget about these resources. Would it be possible for you or the committee to pay particular attention to this concern?

Mr. Gabriel Ste-Marie: That's very clear. *Meegwetch.*

Thank you, Mr. Chair.

Ms. Lynne Groulx: Thank you.

[*English*]

The Chair: Thank you, MP Ste-Marie.

Thank you very much for recognizing Vyshyvanka Day. We all stand with Ukraine. We do have many Ukrainian interns here, like Louise in my office, who speaks five languages. It's very impressive.

We are now going to hear from the NDP with questions.

We'll now have MP Blaikie for six minutes.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much.

I, too, want to take a quick moment to acknowledge the work of Mr. Fast on the committee, before his departure.

I want to ask a question of Ms. Groulx, before she has to leave.

You started already, but I wonder if you could paint a picture of what programs would be possible with more federal funding on the MMIWG file. What would that look like? How do we get started today, if there's already money set aside, so we can figure out how much more is required going forward?

Ms. Lynne Groulx: There are, indeed, some examples of programming right now. There are many communities talking about healing centres. These are really needed very badly. We at the Native Women's Association of Canada started one of our own. We had to do it with the Bank of Montreal. We had to do it with private investments. We could not receive the infrastructure money. It's complicated to get infrastructure money. It's complicated to get operational money. Sometimes you get infrastructure money, and you don't get operational money, or you get operational money, and you don't get infrastructure money. Something has to be done about this.

The communities need healing centres. There are examples. There are even examples at the international level. Mexico, for example, has a model called Casa de la Mujer Indígena, their house of indigenous women. They are resourced. They are run by indigenous women themselves. These are the kinds of programs we need. If we could have some assistance with that, we would appreciate it. We can literally save lives this way. It's putting the communities in charge of their own healing process, their own path to healing, and safety and security.

Mr. Daniel Blaikie: Thank you.

Thank you for your advocacy here today and for providing some concrete examples of how that funding can help make a difference here in Canada.

Mr. Clayton, you said in your opening remarks that you had three specific amendments that you thought would be useful in respect of the direction and control provisions in the BIA.

I was hoping you could share those with the committee now.

• (1150)

Mr. John Clayton: As I mentioned, these amendments were submitted to this committee by Imagine Canada, Cooperation Canada and Philanthropic Foundations Canada. The first is specifically to change the qualifying disbursement mechanism, remove the reference to having it meet prescribed conditions and replace it with a requirement instead that makes it reasonable steps to ensure that resources are disbursed. That would be the first one.

The second one would be to amend the language related to directed giving. That is also mentioned in the BIA. It would allow Canadian charities to contribute to pooled funds supporting non-qualified donees.

Lastly, would be to delete proposed regulation 3703. I don't know the exact number, but it's close to 800 words of new regulatory requirements. This would allow for regulations to be in CRA guidance instead, and not as codified rules within the Income Tax Act.

Those would be the three big things, the amendments we would look to that would take this tremendous development within the charitable sector and allow this qualifying disbursement mechanism to function in the real world.

Mr. Daniel Blaikie: Thank you very much.

Ms. Groulx, I know this wasn't the focus of your presentation, but one of the claims that's being made about the provisions in the budget implementation act in respect of charity direction and control is that it makes it harder for charities to partner with indigenous organizations.

I wonder if you have any examples from your own experience and that of your organization where the current charitable rules have gotten in the way of funding projects. If not, that's okay. As I say, I recognize that wasn't the thrust of your own remarks here at committee, but, if you do have an example, I would welcome your sharing it.

Ms. Lynne Groulx: I happen to have an example. We have had to apply for charitable status, and there seems to be an undue delay and a complication there for some reason, so this could be causing some problems to other organizations as well.

Nevertheless, I do have to say that the private sector is stepping up in an accelerated way. We're being contacted by many different organizations and many different companies, but we have an impediment when it comes to the paperwork and the bureaucracy around it. Hopefully that could be resolved, but I'm not sure if there's another point there that I may not be aware of in terms of what's going on with the charity and paperwork around that.

Mr. Daniel Blaikie: Thank you very much.

As I say, I know was asking you to go outside the scope of your initial presentation.

Ms. Lynne Groulx: Yes.

Mr. Daniel Blaikie: That's no problem at all.

Mr. Chair, how am I doing for time? Do I have a little bit more?

The Chair: You have about a minute, MP Blaikie.

Mr. Daniel Blaikie: Maybe I will just go back to you, Mr. Clayton, to talk a little bit more about where and how this strong culture of direction and control has interfered with charitable organizations partnering with other organizations here in Canada that are doing work with various cultural communities and indigenous organizations.

Mr. John Clayton: I'll state from the outset that my experience isn't so much here in Canada, but is largely from working internationally. Nonetheless, I do know from the work we did last week on Hill days, when we were in Ottawa meeting with many of you and your staff and talking about these issues, that direction and control, or own activities combined with direction and control, is an impediment to achieving equitable partnerships and relationships with local community groups and others that are supposed to be able to access funds. It contributes to the inaccessibility of the system or of funds that are available to be activated into local communities.

It was very interesting to hear this indigenous perspective of what's going on and the need for community programming. This impediment stands in the way of doing this. What is currently in the BIA would continue to be that continued impediment to being able to connect with indigenous communities.

• (1155)

The Chair: Thank you, MP Blaikie.

Mr. Daniel Blaikie: Thank you very much.

The Chair: That concludes our first round, members. Our second round will begin with the Conservatives.

MP Lawrence, you have five minutes.

Mr. Philip Lawrence (Northumberland—Peterborough South, CPC): Thank you very much, Mr. Chair.

My questions will focus on own activities, direction and control, and charities.

Thank you, Mr. Clayton, for all of the great work you do, and not just with Samaritan's Purse. I know that you've been active for many years on this front of direction and control.

I want to clarify one thing. I had a similar discussion with Bruce MacDonald. It's on the idea that the amendment you would be suggesting would not reduce the amount of accountability and transparency; in fact, it may actually increase it.

What you are attempting to do is put in a different type of accountability, one that puts substance over form, in that while the 800 words will require a lot of forms, a lot of lawyer fees and a lot of bureaucrats, it won't provide any greater substantive review or transparency or accountability.

Am I correct in suggesting that, Mr. Clayton?

Mr. John Clayton: Yes. The accountability frameworks that we are proposing would emerge from CRA guidance that would be developed according to the amendments that would be put into place.

Again, nobody wants less accountability. We need accountability that's appropriate with the mechanisms that we have to work with. I think there's a great opportunity before us. It's been 70 years since this specific legislation has been opened up and potentially amended with what's being proposed here. All of us are very concerned about not wanting to make this situation worse, and about making it something that's accessible for these funding mechanisms to work but that also protects the accountability we have for both tax-protected dollars and our donor constituencies, who want to see us with integrity in terms of the public trust.

Mr. Philip Lawrence: Thank you very much.

It's one thing to talk about the legal semantics of direction and control and own activities, but I think it's important to also draw people's attention to the fact that this has real-world consequences. If in fact you're able to get through your amendments that will reduce the amount of burden and paperwork, and really the legal fiction that own activities has created, that will result in, to put it simply, more good being done. Girls who wouldn't be able to access education will get it, children who are hungry will get more food and indigenous and other unique populations will be given more opportunities if we are able to get your amendments through.

Is that your testimony? Is that a fair characterization?

Mr. John Clayton: Yes. You know, as I look back on my history working within the current system, I've lost count of the things that we've said "no" to because we couldn't establish these parameters of own activities or we couldn't negotiate an agreement with someone and offend them with telling them they're going to have to do this work on our behalf. This is a challenge that is faced by every charity that wants to work together in partnership with local entities. Making these amendments or making this....

The preferred path has always been to get rid of "own activities". That doesn't seem to be on the table, so we're looking at a workaround. I think it is a viable workaround for us. It will open up greater opportunities for us to be able to engage in partnerships and to be able to say "yes" to things that we've currently had to say "no" to.

Alternately, when my friend Céline at Oxfam-Québec and I go together with our Oxfams around the world and try to work together, or when I'm working with Samaritan's Purse around the world, we have to deal with this strange aspect of trying to define our own activities when we're pooling our resources together in a combined disaster response.

It really is an impediment. We need to clear it away. We need the amendments to be made.

Thank you.

Mr. Philip Lawrence: Mr. Clayton, you make a persuasive argument. I'm confident that members of the government are listening intently to your comments.

For the last 40 seconds or so, I'm going to switch to the Council of Canadian Innovators.

You've had some discussions about SR and ED review and a patent box. Anyone who's heard me speak knows that I believe the Canadian income tax code is due for a massive revision. In fact, I believe that right now it is not an advantage, and is in fact a disadvantage, for Canadian businesses. Many sections are archaic. Many of them are full of onerous regulations that don't make sense anymore in the modern world.

Would you be in favour of a more modern, effective and competitive Income Tax Act? That's for the Council of Canadian Innovators.

• (1200)

Ms. Dana O'Born: I definitely agree with that comment. It's quite archaic and very difficult to navigate, which is probably why people like us are employed. Our piece rings true on SR and ED as well, which is really what we're here to talk about today. Modernizing, streamlining and making systems more effective for companies I think will reduce regulatory burden, which is critical for growth in the innovation and data-driven economy.

The Chair: Thank you, MP Lawrence.

We're moving to the Liberals, with MP MacDonald for five minutes.

Mr. Heath MacDonald (Malpeque, Lib.): Thanks, everyone, for coming. I'll echo the sentiments on Ed Fast. I appreciate his professionalism on this committee.

I want to go to the Council of Canadian Innovators.

You talk about Canadian innovation and creating an investment agency. You noted that frameworks and policies must be in place to ensure that it's successful and so forth.

We put forth in budget 2022 a \$15-billion Canada growth fund to attract private sector investment and job creation. What's the best utilization and/or end process of this funding going forward? Will it help your industry?

Ms. Dana O'Born: I'll just jump in here.

I think we actually had this conversation at the pre-budget consultation about creating some of the structures and marketplace frameworks that will require funding from government to benefit Canadians.

As to the investment agency, we're still waiting for details, recognizing that Minister Freeland said that we'll see more of them in the fall economic statement. I think this generates a discussion about benefits and maximizing investments for Canadian companies versus what that looks like for attracting foreign direct investment to Canada. Sometimes those strategies end up actually hurting Canadian companies.

As we are talking about investment attraction, I'll use the very perfect example of Amazon. When it was doing its shopping internationally for HQ2, we had a number of Canadian companies step forward and say they didn't understand why governments—not just Canadian governments, but municipal and provincial as well—were raising the white flag to attract this type of investment, which is only going to eat up our talent, suck away our customers and make the marketplace less competitive for our companies.

Certainly we recognize that the investment agency is part of budget 2022 and look forward to the details, but it will be critical to make sure that the structure of what the terms and conditions look like for that investment to come into Canada...and to create the economic outputs that we require for prosperity, productivity, etc., will be really important.

Mr. Heath MacDonald: I believe 2019 was a record-setting year for investment in Canadian companies, at \$6.2 billion, so that was good. There was a large venture capital investment in 2021 of approximately \$450 million. Don't quote me on that number.

We have talked a lot at this committee, and maybe even previously with some of your predecessors who were here, about the IP strategy. I'm just wondering about foreign direct investment. Do we require an additional strategy on the FDI part of the investment cycle for new companies in Canada?

Ms. Dana O'Born: It's a really interesting question and I think it's even more relevant at this particular moment in time, because probably many of you are seeing market slumps, and the stock markets and a lot of tech companies that were valued at very high valuations only six months are below their IPO listing share price.

Sorry, my dog is trying to join the session today....

As we think about how we need to attract investment into Canada, it will also require some of those marketplace frameworks I talked about. One of your colleague's had questions today about getting IP strategies right, getting data and marketplace frameworks right, i.e., what happens to a foreign company when they come and set up a branch plant operation in Canada? How do we create those structures? Do we still provide SR and ED tax credits to them, and do we allow them to come in and harness data without paying tax on that data for commercial benefit?

I think the concept of FDI is a very broad one. It's investment, it's branch plant operations, it's economic activity that is done from outside of organizations. Simply and always our mandate and mission has been to level the playing field, because for so long Canadian companies have had a really hard time competing in their own jurisdiction.

• (1205)

The Chair: Thank you.

Mr. Heath MacDonald: Do I have much time, Chair?

The Chair: You have 15 seconds, MP MacDonald.

Mr. Heath MacDonald: Thank you, and say hello to your dog for us.

Ms. Dana O'Born: Thank you.

The Chair: What's your dog's name?

Ms. Dana O'Born: Her name is Honey.

The Chair: Now Honey will be in Hansard forever. Great.

Ms. Dana O'Born: Wonderful.

The Chair: We're moving to the Bloc and we have MP Ste-Marie for two and a half minutes.

[*Translation*]

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

My questions are also for the Council of Canadian Innovators, namely, Mr. Schiavo or Ms. O'Born.

Mr. Schiavo, in your presentation, you said that the programs are difficult, long and tedious. That's also what Ms. O'Born said.

Can you give us some examples and tell us what could be changed?

I only have two and a half minutes, and I would like to ask you another question.

In Bill C-19, where could amendments be proposed to better support innovation?

[*English*]

Mr. Nicholas Schiavo: In contrast to the other witnesses today, we are not coming with specific amendments. A lot of the elements in budget 2022 we saw as being favourable to innovation, but scarce on details. So we're very much here to advocate for them to be set up in the right way.

In terms of SR and ED, I think the program is too burdensome and too complicated. There is a lot of focus on hiring outside consultants just to navigate it. Practically speaking, if you are a company that is applying for a million dollars and it costs a hundred grand just to navigate that process and there's no guarantee that you will even receive it, there's less incentive to try something new and less incentive to innovate. That's really why our call is to streamline the program to make it simpler and to cover more expenses related to IP.

If you're speaking to the talent side of things, I think the programs we have now just aren't fast enough in terms of immigration. As a designated partner, we of course support the global talent stream, but are there ways to get more talent here faster? One of the ways we do that is by ensuring that the NOC codes that impact that program are updated more regularly and are more in line with the innovation ecosystem and market needs. There are a lot of different strategies, but we need to operate on every level that we can and use a talent lens.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you very much.

My time is almost up.

Thank you, Mr. Chair.

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

[English]

Now we go to the NDP and MP Blaikie for two and a half minutes.

Mr. Daniel Blaikie: Thank you very much.

For our witnesses from JDRC, I know that one of the suggestions you mentioned in your opening remarks was either eliminating or reducing the 14-hour requirement to seven hours. I wonder if you could just expand a little bit more on what a reduction of that requirement from 14 to seven hours would mean for folks who are living with diabetes.

Mr. Dave Prowten: I think what we're really trying to overcome here is the problem of health care practitioners debating with patients the amount of time they are spending on managing their type 1 diabetes. By eliminating or reducing that, we're trying to make that a lower hurdle for people to clear so that the debate is not within the health care practitioner world.

I think Matt said he could spend a hundred hours a week managing his diabetes, and then you get into debating about the time. For instance, is it five minutes on carbohydrates before a meal or is it three minutes? You end up in these debates. You still have type 1 diabetes and you still have the cost. It's turning into a debate about time, not about if you have the disease or the cost. It's almost like the debate is on the wrong topic for us right now.

Mr. Daniel Blaikie: Is there a sense that with a seven-hour threshold, most people living with diabetes would easily be able to prove that, as opposed to struggling to get all the way to 14 hours?

Mr. Dave Prowten: I think so. It would really make the bar much easier, especially because there are a couple new additional activities that are being added in this round of discussion. Between those two, we feel that it will make it much easier for people, and many more people will have access to it.

Mr. Daniel Blaikie: In the course of your advocacy on this, do you have a sense of whether there are people with other medical conditions who are in the same position as diabetics are in struggling with the time requirements for something that's pretty clear. I mean, you either have type 1 diabetes or you don't. You either need to have ongoing insulin injections or you don't. Are there other conditions that are that obvious in what they require and their additional expenses that would also benefit from a similar change?

• (1210)

Mr. Dave Prowten: It's a great question. Things like dialysis come to mind, where you must have that treatment, and it takes hours to do. Then it may be the number of times you would need to do it per week, so it would be those sorts of conditions. I think what we end up.... For us, it's about all these little activities that add up to a lot of time, so I don't know if there's another one that's exactly like that. Every time Matt has to eat, he's making a series of calculations; it's a series of minutes that add up to hours.

Mr. Daniel Blaikie: Thank you very much.

The Chair: Thank you, MP Blaikie.

We will hear from the Conservatives and MP Lawrence for five minutes.

Mr. Philip Lawrence: Thank you again, Mr. Chair.

I'm going to go back to Mr. Clayton again. You went through the amendments a little bit with Mr. Blaikie, but we went through them pretty quickly, and I want to make sure the government members fully have the time to get the notes they need to take back to Finance. Could we go through them again? I believe there were three elements of the amendments, Mr. Clayton.

Mr. John Clayton: Yes, so the first one is to refine the proposed definition of "qualifying disbursement". This is the mechanism that is the workaround for "own activities". Remove the reference to disbursement meeting prescribed conditions, which relates to the 800 words, and replace it with a requirement that the charity instead take reasonable steps to ensure that resources are disbursed and used exclusively in the furtherance of charitable purpose. From what I understand, this creates the hook that the CRA can then develop regulatory and accountability frameworks around. That's the first one.

Mr. Philip Lawrence: I'll pause you there. Maybe we'll pause after every one.

That's either to eliminate the "own activities" from the current regime or to reduce the prescriptive nature of the new "own activities" as proposed in the BIA. Do I have that correct? Feel free to correct me if I'm wrong.

Mr. John Clayton: Yes, it's the second option you listed there. It would put a new set of requirements around this new mechanism. Nothing in the amendments gets rid of "own activities". That still exists in the background.

Mr. Philip Lawrence: Okay, thank you.

The second amendment, please.

Mr. John Clayton: Yes, the second one is to amend language related to "directed giving". This was problematic. I think it came from amateur sports somewhere, and it was a restriction that would keep Canadian charities from contributing to pooled funds and supporting non-qualified donees. I think this relates to giving to restricted funds or for specific purposes, and then not being able to deliver those funds or to action them for the intended local entity or non-qualified donee.

Mr. Philip Lawrence: Right, and that comes from amateur sport. That restriction is in place because it makes sense in that context. If you have a son or daughter who's an athlete and you want to support them, you shouldn't necessarily be able to do that through a charitable gift. That makes sense. Here—and I believe you have some personal experience through your organization—if someone wants to say, "You know what? I want to give \$1 million towards Ukrainian relief," that could potentially be stopped by this provision in the BIA. Am I correct in that?

Mr. John Clayton: If the gift were given specifically for a local entity in Ukraine that we're engaged with and is accomplishing something consistent with our objects, yes, that would be difficult for us to do. It would be impossible for us to receive that gift, and it would be very restrictive. A lot of Canadian organizations raise restricted funds for very specific purposes, so this would be very problematic.

Can I go on to the third?

Mr. Philip Lawrence: Do we have time?

The Chair: Yes.

Mr. John Clayton: The third one is very simple. It's on the regulations that would be embedded into the Income Tax Act. Regulation 3703 needs to be deleted in its entirety. This would allow for regulations to be in the CRA guidance documents rather than exist as codified rules in the Income Tax Act. Having rules in the Income Tax Act and in CRA policy will create a hierarchy and a chilling effect on ever using a mechanism that's in the Income Tax Act. It wouldn't be reasonable. It has to be entirely prescriptive.

One of my friends said yesterday, as I was talking about this, that unless you achieve an A in all of those prescriptive categories, you could face censure from the Income Tax Act and lose your charitable status. The prescriptive nature—

• (1215)

Mr. Philip Lawrence: Some of the organizations you partner with are doing fantastic work. I had the pleasure of meeting the founder of Black Moms Connection. The organization is fantastic, but it's not huge. It's very difficult for organizations such as that to abide by incredibly prescriptive and inflexible rules.

Is that correct?

Mr. John Clayton: Yes. It was great to bring her to your office to talk about these details and to meet an example of someone who's trying to access charitable resources and can't do that under the current system. This new system would make it that much more difficult.

The Chair: Thank you, MP Lawrence.

Now we'll hear from MP Chatel for five minutes.

Mrs. Sophie Chatel (Pontiac, Lib.): Thank you, Mr. Chair.

I would like to join my voice with my colleagues' and acknowledge that I will be sorry not to be working on this committee with Mr. Fast. He was very knowledgeable and a real asset to this committee. He was tough, but fair.

[Translation]

Ms. Groulx, I'd like to ask you a few questions.

The Chair: She left.

Mrs. Sophie Chatel: That's right; she left at noon.

I'll still ask my question, and it can be sent to her in writing.

There are two indigenous reserves in my riding. Last year's budget included \$2.2 billion to accelerate the work of the national action plan in response to the National Inquiry into Missing and Murdered Indigenous Women and Girls' calls to justice and the imple-

mentation of the Truth and Reconciliation Commission of Canada's calls to action.

This money has been and will be used to fund cultural revitalization and preservation projects, combat racism and discrimination in the health care system, among other things, create culturally appropriate police services, improve access to justice for indigenous peoples and support families and survivors.

Can my question be sent to Ms. Groulx? It's very important to me. Is she seeing the impact of this investment in indigenous communities?

I'll now turn to Mr. Schiavo.

[English]

Would you be able to tell us a little bit more about the impact you believe that the proposed Canadian council of economic advisors would have?

Mr. Nicholas Schiavo: I might actually have my colleague handle that one.

Ms. Dana O'Born: Thank you, Nick.

This is something that CCI has been calling on for a long time. Generally speaking, this is about capacity-building and so we have had a number of initiatives from across the government related to innovation with the creation economic panels.

We saw the strategic economic table stood up and provide recommendations in 2018. Then we saw Dominic Barton's panel stood up and also provide recommendations on finance, the economy and innovation. Then we saw the stand up of the economic group led by Monique Leroux. All of those panels had been effectively established to create recommendations for government, which probably served their purpose at that particular point in time, recovering from COVID, etc.

The opportunity here with this particular council is to create something that has permanence and that can actually be a bit of a sounding board for government on making decisions on a regular basis related to the economy and the data-driven innovation ecosystem. Unlike previous programs or patterns that we have seen with the government on initiatives related to this, we would hope that this particular council would be something that brings together experts from all fields.

In particular, we would encourage the government to pull together experts who are really examining the data-driven economy and the 21st century economy to be a part of this economic council. We understand that there are more details to come in the fall economic statement, and we look forward to engaging the government on that.

• (1220)

Mrs. Sophie Chatel: Thank you.

Mr. Schiavo, you raised at the beginning the list of recommendations on talent to retain the talent and skills in Canada to be successful in tomorrow's digital economy.

Could you just give us three main recommendations from that list?

The Chair: Make it a very short answer, please.

Mr. Nicholas Schiavo: Work with provinces to support students in helping them pay off student debt.

Ensure that we don't touch the current regime for employee stock options, which is incredibly important for employee retention by small and medium-sized enterprises.

There are also other ideas in the budget like employee trusts that we are currently exploring that could be used to retain employees.

There are a number of recommendations using a talent lens.

The Chair: Thank you, MP Chatel and Mr. Schiavo. It was very succinct.

Members, we are moving into round three and we have MP Patzer.

Welcome to our committee, MP Patzer. You have five minutes to ask questions.

Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC): Thank you very much. It's great to be able to join the committee here today.

I'm going to start with the Council of Canadian Innovators. I've seen you guys at committee a few times and from listening to you quite a bit I would say there has been a common theme that has emerged, which is that there is an issue with getting our start-ups to scale up. We've seen in provinces like Alberta, for example, that government reduction of red tape has encouraged even more start-ups to pop up and to be looking to grow.

How can the federal government be more like Alberta and work with these companies in the private sector to be able to get them to not just to start but to scale up?

Ms. Dana O'Born: Alberta is a really interesting use case right now. Their tech unemployment rate is at zero and they're crying for tech talent.

Minister Schweitzer out in Alberta has done a pretty good job at working with innovators across the board, and they recognize that there is this necessary transition that needs to take place from old economics to new economics and, credit provided where credit is due, they have engaged on a number of initiatives, including a data strategy and an IP strategy, thinking about how to bring venture capitalists into the mix and starting to have conversations about what investment looks like there. Its creating, as I've mentioned today and in several committee sessions before, those marketplace frameworks for what it's going to look like for foreign direct investment to set up in Alberta and, to be honest, championing local domestic technology companies.

AltaML is a great company out in Alberta that has just led the way and is taking start-ups under their arms and building that ecosystem of network effect that is really critical.

If I could sum it all up, it is really about just championing local domestic technology companies and saying that we're open for business, that we're ready.

Then just to your point on reducing some of the regulatory burden, there have been a number of conversations on what that looks like. I think those certainly need to continue as things move forward in Alberta, and, of course, with the federal government as well.

Mr. Jeremy Patzer: I have a two-part question for you. The first question is a pretty simple one, and that's how important is broadband to innovation?

On the second one, we've seen multiple announcements of funding for broadband, which is fine. It seems that there are constant announcements over and over again, but in touring around rural Canada and talking to colleagues all across the country, it seems that we haven't really seen a lot of development of broadband access for people. In the last two years, we've really seen the exacerbation of the need for very strong and robust access to broadband.

I wonder if you want to touch on that, because I think there's \$2.75 billion available in the budget. What do we need to do to get out of the way so that the private sector can get these dollars into production so people can have broadband access?

• (1225)

Ms. Dana O'Born: Those are great questions. I think they're heavily correlated, and I'll respond with two correlated answers as well.

I think we certainly need to have a decision on Huawei. That has been something that the government has been pushing off for the last few months, and Canadian companies that are able to deliver analogous services are waiting in the wings to find out what that decision will be.

The second thing is this remote shift, with people leaving urban centres to working wherever they need to. It's a phenomenon that is taking place all over the world. The need for rural broadband, I think, is only exacerbated by that. There are some companies that have already started delivering some of those services through satellites. It's great technology. We need to make sure that we're doing it right and serving people correctly.

If the government is going to be entering into some of these larger contracts, it's going to be really critical that there be transparency around those contracts and what that means for Canadians living in rural parts of Canada.

Mr. Jeremy Patzer: Thank you very much.

I have 30 seconds left, Chair. I'm going to cede my last 30 seconds because my next questions will take much longer than that.

If Dan wants it, Dan can have it.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): I will do the same thing as MP Chatel with the Native Women's Association, and thank them for coming and ask if they were they consulted on the budget this year and if any of the items they recommended to government are reflected in Bill C-19.

Thank you.

The Chair: MP Albas, the clerk will reach out with those questions on behalf of members.

We are now moving to the Liberals and MP Baker for five minutes.

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

Thank you to our witnesses for being here today.

I'm going to focus my questions on the Council of Canadian Innovators. It's great to see you both again.

Dana, it's great to see you again. To you and to Mr. Schiavo, in your response to the federal budget, I think I read that you wrote that this is an innovation budget through and through.

Am I getting that right, and if so, can you tell me what you meant by that?

Ms. Dana O'Born: Certainly. You are correct. It's on the record. Our media release did say "through and through". I think the narrative behind the intention of how we wanted to celebrate this budget was really that it's a signal to the economy, and the innovation economy more specifically, that we are turning a corner on recovery. We are turning a corner on COVID. It's not that it's completely over for a lot of communities across the country, but there's an acknowledgement that where we are starting to turn our gaze as a country is around this idea that we need to start digging our heels in and thinking about what's good for Canada's prosperity.

I think what was really interesting in Minister Freeland's comments around the budget in the media after her speech in the House, namely, the recognition that Canada does have a productivity problem. I think that is simply a result of antiquated policy around innovation. It was obviously exacerbated by this rapid acceleration of people having to work from home and what that looks like for the digital economy.

Certainly we were very pleased to see a number of initiatives that were in the budget, as my colleague Nick mentioned. SR and ED reform is a huge piece, as is funding to go towards cybersecurity, which I think the government certainly recognizes as a serious issue now, and considerations around skilling, re-skilling, upskilling and attracting talent, and more mention of IP and, of course, some nods to the fintech and clean-tech sectors.

We always say that the devil is in the details or the proof is in the pudding, and I know that there are some initiatives that need to roll out sequentially. We're waiting for some more details to come in the fall economic statement, but we were very pleased to see a number of initiatives in this budget. We would underscore that it's critically important to consult with Canadian innovators to ensure that a lot of the implementation is done in a way that will support the growth of Canada's innovation ecosystem.

Mr. Yvan Baker: Fair enough.

My next question is linked with what you just said.

Can you tell us about some of the measures that Canadian innovators have been pushing for and that have appeared in the budget? Perhaps you just listed them, but can you go through them again?

• (1230)

Ms. Dana O'Born: Absolutely.

We always house our advocacy in four main buckets: access to talent; access to capital; access to customers, which is about procurement and international trade opportunities; and the marketplace frameworks that I've mentioned today.

Working backwards, the marketplace framework piece, as I mentioned, in digital sectors is the fintech initiative to launch a financial sector legislative review focused on digitization of money, namely digital currencies. Interestingly enough, at this particular moment, it will include cryptocurrency and stable coins.

There are also some of the clean-tech initiatives around creating investment taxes for organizations that are focused on net-zero technologies and battery storage. In cybersecurity, there is a massive investment of \$875 million over five years. This definitely indicates to the market that the government is getting serious about cybersecurity. Tax updates related to SR and ED are still under way. Then there is access to customers and developing new tools and guidelines to support green procurement and money going towards health technology procurement, which is a huge barrier for Canadian technology companies that are in the health space in terms of their accessing their own markets. Access to capital was interesting, and I think we've already talked today about the innovation and investment agency and how that will be very critical to get right and will need to be steered by experts in how that is set up operationally and what that will look like for outputs in the Canadian economy. The Canada growth fund was also mentioned by one of your colleagues earlier today, aimed at attracting the right kind of investment to Canada, and it will also be very critical.

I hope that's a helpful list on that front.

Mr. Yvan Baker: That's a fulsome list.

Thanks, Dana. I appreciate it.

Ms. Dana O'Born: Thank you.

The Chair: Thank you, MP Baker.

We'll now move to the Bloc with MP Ste-Marie for two and a half minutes.

[*Translation*]

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

I'll now turn to the representatives from the Council of Canadian Innovators. My questions will focus on the start-up ecosystem.

First, how have start-ups weathered the pandemic and lockdowns? We know that they've had a lot of problems.

Second, how can we better support them? Several of my colleagues have raised the importance of taking them to a higher level. Under the current model, these companies are financed with venture capital and are encouraged to make innovations. When an innovation is made, the start-up company often sells it to an American company in order to repay the venture capital.

Would it be appropriate to set up a patient capital system to support start-ups at another level?

[English]

Ms. Dana O'Born: I'll answer the first question in English and then send the second one over to my colleague to answer in French.

For start-ups, scale-ups and technology companies across the board, in the very early days of the panic mode of the pandemic it was a very scary time, obviously.

I will say that the first iteration of the wage subsidy that came out rendered 80% of the innovation economy ineligible. We quickly went back to the drawing board and provided some feedback to the government. Some amendments were made and we saw that the new wage subsidies were then available through different regional development organizations and IRAP, etc. I believe we were able to push the dial in getting some of the pieces in place to support the economy on that front.

For most companies, it was a very difficult, unstable time. All of a sudden there was a very quick turnaround for a number of digital companies who knew that they had to either pivot or get into action supporting the work-from-home operations. Some companies came out very well on the other side, but of course, like many small businesses in Canada, others suffered significantly.

It was not so great at the beginning and then things turned around quite quickly. That was just a matter of fact that we had no idea what was happening or where things were going, and that was something that was being felt globally.

I'll turn the second question to my colleague who will respond in French.

[Translation]

Mr. Nicholas Schiavo: Thank you, Ms. O'Born.

I'm supposed to speak in French but if you don't mind, I'll answer the question in English.

• (1235)

[English]

I've lost track of the question, but I think one thing that's unique about CCI is that we specifically represent the scale-up community in Canada, which are those scale-ups that are headquartered here in Canada.

To your second question, I would just reiterate what we've talked about today, which is ensuring that we have the right marketplace frameworks. The freedom to operate for our scale-ups is critical. Ensuring that they are able to commercialize and get past that start-up phase is something we really struggle with here in Canada.

In addition to having a strong IP regime, the other elements we've discussed—a national data strategy, a review of the Competi-

tion Act and open banking frameworks that we're actively engaged in—are all regulations that help our companies grow. Clear rules and responsibilities ultimately create a fair playing field.

[Translation]

Mr. Gabriel Ste-Marie: Thank you.

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

[English]

Now we will go to MP Blaikie for two and half minutes.

Mr. Daniel Blaikie: Thank you very much, Mr. Chair.

I am just going to continue in a similar vein to Monsieur Ste-Marie, who I think was asking about the capital requirements of scaling up. Often the model in Canada seems to be that companies will develop a product to the point where it's ready for a wider commercialization and then sell to a firm—a U.S. firm or a firm from somewhere else—that then takes that work on.

He was asking if it makes sense to have patient capital—which is a rough translation of the French; maybe that's the term in English as well—and about what could be done to put that in place so that when products are ready for scale up, a better financing infrastructure is already available and in place.

I wonder if you want to speak to that or if you think that's not really the main issue and that it is some of the other factors you were discussing before.

Mr. Nicholas Schiavo: Thank you for that question.

I might actually turn that over to my colleague.

Ms. Dana O'Born: Sorry, I was confused whether the question was for us or for another colleague here.

Yes, regarding patient capital, it's funny because people think “patient” refers to people in hospitals. That's not what it is. Patient capital is that long-term investment—that long-term play.

We often see that VCs like to see early double-digits on their return on a three- to four-year investment. With the dips and the highs and lows that we've seen in the economy in the past few years as a result of COVID, and this market dip we're experiencing right now, I absolutely think that patient capital needs to be a big part of the mix.

We also saw that the government made the announcement around the VCCI funding this week. Those types of incentives bring venture capitalists and other investors to the table and create an assurance that there will be an opportunity for a bit longer term.

Any time the government really puts its hand up and says that it wants to be a part of this, there is a bit more of a guarantee that the patient capital can persist. It gives outside private sector investors a bit of assurance that if the government is at the table, they're in it for the long game.

The thing that's really interesting about this concept of patient capital is that it really depends on the sector. We see clean technology companies, which are very capital intensive because they're investing in equipment, manufacturing and a lot of R and D to get—let's keep it simple—a solar panel prepared to go to market versus a software-as-a-service company where everything can be done in the cloud and a bunch of kids sitting in shorts, working on laptops in co-working spaces or at home. The ability to scale up a company that's all here and operating here versus actually building the material and testing it for market are two very different things.

In the business of clean technology, and also to a certain degree in health technology when we're talking about medical devices, that patient capital is essential in terms of making sure that those products can slowly make their way to market.

The other side of that is with patient capital investments, there are often big regulatory hurdles. Those who are making the investments need to recognize that sometimes, when overcoming requirements related to FDA, Health Canada or standards approvals for particular clean technology pieces, that patient capital piece is a really big part of the equation.

• (1240)

The Chair: Thank you, MP Blaikie.

Mr. Daniel Blaikie: Thank you very much.

The Chair: We will now move to the Conservatives.

MP Stewart, you have five minutes.

Mr. Jake Stewart: Thank you, Mr. Chair.

I'll go back to JDRF. Thinking about the disability tax credit, what would be the ideal outcome to make life better for the 300,000-plus Canadians with type 1 diabetes? Would it be to amend the BIA to remove the 14-hour rule by deeming Canadians with type 1 diabetes as automatically qualifying for the life-sustaining therapy criteria in the disability tax credit?

Mr. Dave Prowten: That would be ideal, for sure. Insulin is a life-sustaining therapy. There are no ifs, ands or buts about it. Once you have type 1 diabetes, you have it for life. That would definitely be the simplest way to make it accessible for everybody.

Mr. Jake Stewart: I appreciate that. To me, that seems like the gold standard.

As I was reading some of your opinions and some of the platform for JDRF, I saw that basically there's another idea where you could agree to reduce to it seven hours, or removing the 14 hours for all medical conditions that require life-sustaining therapy may cause unintended consequences regarding administration with the CRA.

Basically, should an amendment be targeted specifically for type 1 diabetes, given the circumstances of the condition? What would that amendment look like to JDRF?

Mr. Dave Prowten: First of all, we champion for people with type 1 diabetes. I guess if it is possible to make something that would be focused for type 1 diabetics, that would be fantastic. That would be wonderful, because it would probably give clarity to a specific condition that is different from others.

I think if we could make an amendment, we would probably ask to have the hours eliminated or reduced. As I said earlier, we're really debating about the number of minutes spent on a whole series of activities all day long that you have to then debate with your health care practitioner. We're just really trying to find an equitable solution for those with type 1 diabetes—for everybody.

Mr. Jake Stewart: Thank you for that. I appreciate your answer.

As I said the other day when you were here, I grew up knowing quite a few people who had type 1 diabetes. I've definitely seen the struggle that parents face and that adults with the condition face as they get older living in this country. I just think it's important for you at JDRF to know that we had a former leader who brought forth something similar to assist in the disability tax credit area. I support removing it entirely for people with type 1 diabetes, and I know I speak for the members of my party as well. As I mentioned earlier, there will be something coming forth from us, but just not today. It's another aspect of the committee. I think this is long overdue for people with type .

Your colleague mentioned how sleep-deprived his wife becomes. I know people in this situation. Mothers are waking up constantly at three and four in the morning. I know a couple of them, and I know the stress of it.

Those are really all my questions for today. I just think it's important for JDRF to know that I support removing this entirely so that everyone with type 1 diabetes can qualify automatically for the disability tax credit. The members of my party agree with this. Something is coming forward. I'm really hopeful that all the members of this committee in all the parties will support it. We have the power at this committee to make decisions and make changes that can affect Canadians. I just wanted you to know that this will be coming forth.

Those are all my questions. If I have more time, I could give it over.

Mr. Dan Albas: How much time would I have, Mr. Chair?

The Chair: One minute.

Mr. Dan Albas: Great.

To the Council of Canadian Innovators, earlier there was a mention of Huawei and having a decision on that. The government has been promising this since before the 2019 election. Could you please expand upon why having basic certainty on things like 5G is helpful to you, your organization and those you represent?

Ms. Dana O'Born: Certainly. Thank you for the question.

As I mentioned in my comments previously, I think a number of Canadian companies can offer and deliver the same services. Delaying on a decision around what market entry Huawei has into Canada just signals that Canadian companies are kind of sitting on the sidelines and waiting for an answer on that.

I don't want to get into the diplomacy pieces related to the contract itself, but I think it's going to be really critical that a decision comes, and a decision comes soon, so that innovators are able to recognize and respond.

• (1245)

The Chair: Thank you.

Thank you, MP Albas.

Now we're going to the Liberals.

Welcome to our committee, MP Shanahan

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you very much, Chair.

It is a pleasure to be here with my colleagues. We've met in other committees, in other forums, but it's been really interesting listening to the questions to and the answers from the witnesses here today.

I'm sorry. I did miss the opening remarks, so I hope I don't repeat anything. I am very intrigued.

I don't think we've heard from the witness from Samaritan's Purse Canada, and I do have a question for that witness. Who is that witness?

The Chair: That is Mr. Clayton.

Mrs. Brenda Shanahan: Mr. Clayton, first of all, I would like to commend you and your organization for the tremendous humanitarian work that you conduct all over the world. Given that this is—I don't want to mispronounce it—Vyshyvanka Day and we do have interns here from Ukraine, I want to ask you about your work in Ukraine.

Your organization has been doing tremendous work in helping Ukrainian refugees in Poland. I can only imagine how quickly you had to mobilize to get to Poland and Moldova and then here in Canada to do this work.

The federal government has announced over \$100 million in spending to implement and operate the new Canada-Ukraine authorization for emergency travel and a special permanent residency stream alongside hundreds of millions for humanitarian and military aid to Ukraine.

Please talk to us about the impact of these investments, but also about the heroic work that you and your staff are performing during this crisis.

Mr. John Clayton: Thank you for the opportunity to speak to our work in Ukraine.

It was my privilege on Sunday at 2 p.m. at Pearson International to receive 28 Ukrainians on an aircraft we had coming back from Poland and that landed in Toronto. I got to spend the entire afternoon with them at the airport. They're now in Vegreville, Alberta, the home of the world's largest Easter egg—so they're in familiar territory—and wonderful people. We're anticipating receiving another 21 people tomorrow, on Friday.

We continue to be active. I know that there are many other organizations that are very active across Ukraine and the periphery, so our current activities, using the donor support that we have, are in the 17 projects that we are currently funding in Poland and a number of other European countries in supporting displaced and refugee Ukrainians who have made their way across Europe. We're very active with that.

Our particular interest here today is about direction and control and “own activities” and specific provisions that are in the budget implementation act. I trust that you've made yourself aware of—or we could make them available to you—the specific amendments that we are seeking. I've already spoken with MP Lawrence. We see it as very important for us to keep our charitable sector and the way we can function modernized and to update things. That's something we're seeking.

It's really great to hear you recognizing our work. We have a lot of Canadians—70 Canadians, I think—who have served in Ukraine in our emergency field hospital and in the work we're doing across the country. There's an awful lot going on, and Canada plays a big part across the entire charitable sector in Ukraine.

Thank you.

Mrs. Brenda Shanahan: Mr. Clayton, can you talk about the kinds of investments that the federal government is making? Have you seen something similar to this before? What does this do to really up the game, if I can say that, in delivering emergency assistance and helping in this unprecedented situation?

• (1250)

Mr. John Clayton: I can't speak specifically to what the Government of Canada is doing.

I can speak specifically to this immigration program that has been established, and I can only commend those who came up with this plan to be able to vet Ukrainians who would be eligible to come over here. It has been a relatively easy process that we have witnessed first-hand with the great work of the CBSA authorities in terms of making that possible.

I don't know about the specifics of resources. I just observe things in the news. As a country, I think we're making a significant contribution to the Ukrainian people.

Mrs. Brenda Shanahan: Thank you.

The Chair: Thank you MP Shanahan—and of course for recognizing Vyshyvanka Day— and the members for their great questions.

I'm looking at the time right now. We have about 8 or 9 minutes left, so about two minutes per party as we usually do, until we conclude our meeting today.

We'll start with the Conservatives for two minutes.

Mr. Dan Albas: Thank you, Mr. Chair.

I'd like to go back to the the Council of Canadian Innovators. You said that there are technology companies here in Canada that are waiting for a decision on Huawei, because they could offer other services. I'm very concerned that we have so many business that for equity and financing reasons are moving from Canada down to the United States. Do you feel that if we don't answer basic questions on what is allowed and what isn't, Canadian companies may seek to go to places where they have more regulatory certainty and they can raise the necessary capital to participate?

Ms. Dana O'Born: To be absolutely honest with you, we haven't seen a huge departure of Canadian companies from Canada at this point in time. There's always the threat, and some companies have either folded or been acquired by U.S. firms. Simply due to the fact that we have a huge talent supply here in Canada and that we are one of the most educated countries in the world and are producing Ph.D.s and highly educated STEM talent from universities across the country, I think sometimes that notion that Canadian companies are ready to pack up and leave Canada tomorrow is a lot more challenging than it actually appears to be. Nonetheless, I do certainly think there are provisions that we've identified across the board today that will have an impact on a decision whether or not a Canadian company would like to expand in Canada or maybe open up an office in the United States. I think that's sort of the distinction there.

The Chair: Thank you.

Mr. Nicholas Schiavo: If I could just add to that—

The Chair: Okay, be very quick please.

Mr. Nicholas Schiavo: —just generally speaking, I think there's a lot more that can be done in terms of procurement for Canadian companies that have the right solutions. We see this a lot in the cyber sector where, in some cases, they have more luck with the American government than in Canada. So the more we can utilize Canadian innovation for our needs, the better.

The Chair: Thank you, and thank you, MP Albas.

Next is MP MacDonald, for the Liberals, for the final questions.

Mr. Heath MacDonald: Thank you, Chair.

I want to go back to Mr. Ste-Marie's question relating to some companies or some persons not being available to collect CEWS. I know the federal government put in place relatively quickly the IAP of about \$250 million. Do you know how many companies or persons actually took advantage of that \$250 million during COVID?

Ms. Dana O'Born: That's a really good question. I don't know specifically the data and I can come back to you on that, but as I mentioned before, I would render a guess that probably about 80% to 90% of our companies had some interaction with the wage subsidy for sure, in its second iteration.

Mr. Heath MacDonald: Thank you.

We talked about labour and about seed companies and start-ups, and we have likely one of the best incubators in the world, or it was ranked number one in the world, at the corner of Yonge and Dundas, the DMZ, which I had a lot of interaction with in a previous life. How closely do you work with those types of post-secondary organizations or institutions, because they have a phenomenal track record of building new companies here right in Canada and growing this industry tenfold?

• (1255)

Ms. Dana O'Born: Our MO is all about “should rise together in Canada”, so we work closely with several accelerators, incubators and different programs. Recently there's a new upscaling initiative that was just out for RFI last week and closed, and there are a number of organizations such as CCI that are helping to try to think about what their rescaling and upscaling initiatives look like for tomorrow. We try our best really to expand our wings, all with the goal of helping domestic Canadian companies grow.

The Chair: Thank you.

Mr. Heath MacDonald: Thank you, Chair.

The Chair: Thank you, MP MacDonald.

Moving to the Bloc for our final questions, we have MP Ste-Marie for two minutes.

[*Translation*]

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

My questions are for the Juvenile Diabetes Research Foundation.

First of all, I want to welcome you, Mr. Stimpson. Your testimony was very moving, and it helps us imagine how difficult it is to live with type 1 diabetes. It is our sincere wish that research will make it possible to live better with diabetes and even eliminate it completely.

In the meantime, I think that the proposal made by our colleague Mr. Stewart makes a lot of sense. We will certainly have to look at this issue, and I will certainly support it.

My question is for Mr. Prowten, and I would like to ask him to give us an idea of where the research is at. How does research in Canada compare to other countries? How could the federal government better support juvenile diabetes research?

[*English*]

Mr. Dave Prowten: First of all, thank you for the question and for supporting the amendment to make it easier for people to get the disability tax credit. That's fantastic.

I would say that since Banting and Best discovered insulin, Canada has hit above our weight in diabetes research. We're leaders in stem cell work that turns stem cells into insulin-producing cells.

I listened to some colleagues like Dana and Nicholas about innovative companies. This is a sector that we would like to expand in and grow in Canada as well. We think it's a really significant opportunity for us. I think the government could continue to invest in, I would say, basic research at universities and hospitals and all the way through to commercialization because, ultimately, we want to get new therapies to patients.

It is about supporting the spectrum of research in Canada.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you.

[*English*]

The Chair: Thank you, MP Ste-Marie.

Now we go to the NDP for our final questions this session.

MP Blaikie.

Mr. Daniel Blaikie: Thank you.

I would like to circle back to Mr. Clayton. Could you give an example from your own experience with international organizations how the current rules impede good program delivery?

Mr. John Clayton: I just think most recently of our Ukraine response. In the initial days of our combined response, as an international organization we struggled to identify a specific aspect of our Samaritan's Purse work that is only one work in Ukraine and to identify our own activities. We struggled to come up with a legal agreement and arrangement with our international headquarters to

take on all of the operations of our Moldova office for a period of time. Instead of really being able to contribute to the full aspects of what it was that we were doing as an organization, we had to hive off a specific part of it and create a legal agreement that would make those our own activities.

Organizations all across Canada are carrying out these legal agreements, and some have referred to them as "legal fictions" that need to be created because of their activities.

Mr. Daniel Blaikie: Thank you very much.

Thank you, Mr. Chair.

The Chair: Thank you, MP Blaikie.

I just want to say to our witnesses that the finance committee is a fast committee, a busy committee. I know that things change very quickly, and we want to thank you for attending on very short notice and short order. Within 24 hours, you were able to accommodate and come before us to answer all of these questions with your expertise; so on behalf of the members of the committee, thank you.

Thank you, Clerk, for all your hard work in making this happen. The analysts, the interpreters and everybody else, thank you very much. We really appreciate it.

Have a wonderful day.

Thank you.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>