



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Finance

EVIDENCE

NUMBER 060

Wednesday, October 5, 2022

Chair: Mr. Peter Fonseca



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• (1630)

[English]

The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)): I'll start with my opening remarks. I know that Ms. Dzerowicz will make her way in by the time we start hearing from our witnesses.

I call this meeting to order. Welcome to meeting number 60 of the House of Commons Standing Committee on Finance. Pursuant to Standing Order 83.1 and the motion adopted on Wednesday, September 28, 2022, the committee is meeting to discuss the pre-budget consultations in advance of the 2023 budget.

Today's meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022. Members are attending in person in the room and remotely using the Zoom application.

I'd like to make a few comments for the benefit of the witnesses and the members. Please wait until I recognize you by name before speaking. For those participating via video conference, click on the microphone icon to activate your mike. Please mute your mike when you are not speaking. For interpretation, for those on Zoom, you have the choice at the bottom of your screen of English, French, or floor. 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 would now like to welcome our witnesses for this first meeting on pre-budget consultations in advance of budget 2023. From the Canadian Health Coalition, we have Steven Staples, national director of policy and advocacy. From the Canadian Manufacturers & Exporters, we have Dennis Darby, president and chief executive officer. From the Community Radio Fund of Canada, we have Alex Freedman, executive director. From Electric Mobility Canada, we have Daniel Breton, president and chief executive officer. From the Tourism Industry Association of Canada, we have Beth Potter, president and chief executive officer. From Société d'aide au développement des collectivités et Centre d'aide aux entreprises, we have Pascal Harvey, general manager.

Welcome to all of our witnesses. We will be hearing opening remarks from each of the witnesses for up to five minutes.

We will start with Mr. Staples from the Canadian Health Coalition for five minutes, please.

Mr. Steven Staples (National Director of Policy and Advocacy, Canadian Health Coalition): Thank you, Chairperson and members of the House of Commons Standing Committee on Finance.

My name is Steven Staples. I am the national director of policy and advocacy for the Canadian Health Coalition.

The Canadian Health Coalition was founded in 1979 to defend and expand public medicare in Canada. We are comprised of front-line health care workers, unions, community groups and experts. I am delighted to speak to you on the topic of the pre-budget consultations in advance of the 2023 federal budget. The aspect that we would like to address today is public health care spending.

Today we would like to make six recommendations to the government through this committee.

One, we need to pass Bill C-31, which includes the dental benefit, and transform the benefit into a robust program for everyone in Canada with universal coverage as soon as possible.

Two, we need to move forward with the Canada pharmacare act by 2023 to provide free coverage for prescribed medicines, funded by \$3.5 billion for essential medicines, as recommended by the 2019 government-appointed Advisory Council on the Implementation of National Pharmacare, led by Dr. Eric Hoskins.

Three, we need to increase investments to end the health care human resources crisis, beginning by delivering on the governing party's 2021 election promises to provide \$3.2 billion to the provinces and territories for the hiring of 7,500 family doctors, nurses and nurse practitioners. In addition, as promised, we need to train up to 50,000 new personal support workers and fund their guaranteed minimum wage of at least \$25 per hour.

Four, we need to introduce and pass the safe long-term care act by 2025, which must enforce national standards as well as ensuring patients receive at least four hours of direct care. Additionally, we need to provide funding to promote publicly owned non-profit long-term care facilities while phasing out for-profit investors from the long-term care sector.

Five, we need to work with the provinces and territories to increase federal funding through the Canada health transfer that is accountable while improving outcomes for people in Canada through new public health care programs such as dental care and pharmacare.

Six, we need to enforce the five principles and the conditions of the Canada Health Act to ensure Canadians are not faced with extra billing, user fees and diminished accessibility to health care as some provinces move forward to for-profit care providers, beginning with funding more robust monitoring and sanctioning capacity by the strategic health care policy branch.

That's what we need to do in this budget.

The Canadian Health Coalition has gone on record supporting the terms of the confidence and supply agreement announced by the leaders of the governing Liberals and the NDP in March 2022. The agreement contains four health care commitments by the Prime Minister: public dental care, national universal pharmacare, frontline health care investments and safe long-term care. In return, the government achieves stability through confidence votes with the support of the NDP.

Our chairperson, Pauline Worsfold, who is a frontline nurse in an Edmonton hospital, said, "This agreement has the potential to deliver significant improvements in public health care for patients, families, and frontline workers." Pollsters tell us that it has widespread public support, with close to six in 10 Canadians being comfortable or somewhat comfortable with the agreement between the Liberals and the NDP.

Already we are seeing the benefits of parliamentary co-operation with Bill C-31 and the dental benefit act. It is estimated that 500,000 Canadian children will benefit from the initial targeted investment, and we are encouraged by Minister of Health Duclos' comments that this is an interim measure and that the program will be expanded in the coming years.

We support the Canada Health Act and its principle of universality, and we would like to see public dental care be available for all families, not just those that pass a means test.

I'll reserve the rest of my comments for the discussion. I look forward to your questions.

Thank you.

• (1635)

The Chair: Thank you, Mr. Staples and the Canadian Health Coalition.

Now we will hear from the Canadian Manufacturers & Exporters, Mr. Dennis Darby, for up to five minutes please.

Mr. Dennis Darby (President and Chief Executive Officer, Canadian Manufacturers and Exporters): Thank you, Mr. Chair, and good afternoon.

It's my pleasure to be here on behalf of Canada's 90,000 manufacturers and exporters and our association's 2,500 direct member companies to discuss what we think we need in budget 2023.

To set the stage, manufacturing represents about 10% of Canada's GDP. It produces two-thirds of Canada's value-added exports and employs just over 1.7 million people in good-paying jobs across the country. Since the very beginning of Canada, manufacturing has been the backbone of the Canadian economy, and it certainly drives our prosperity.

We must admit, however, that our industry is grappling with some of the hardest challenges it has ever faced. Chronic labour shortages, ongoing supply chain disruptions, massive looming transitional investments to get to net zero, and trade uncertainty all threaten the very existence of manufacturing and exporting Canada.

Now our members tell us, and our research confirms, that if we do not act now to resolve these challenges, we risk being shut out of the global advanced manufacturing transition that's happening. The pandemic reminded us how vitally important it is to have a strong domestic manufacturing industry, so I want to lay out how we think we should get there.

Number one is that Canada really must implement a national industrial strategy. This is needed to coordinate our efforts and initiatives into one overarching plan. We believe the goal of a national industrial strategy should be to double Canada's take of the OECD manufacturing investment from where it is right now at about 1% relative to our OECD countries to 2%. We call it the 2% challenge. It would bring billions of dollars of investment, moving us from about \$25 billion a year—we're one of the laggards in the OECD—to on par, to about \$50 billion a year.

Over the years, the government has commissioned experts to draft industrial strategies. Monique Leroux's work is the latest in this line, and that report has our full support. Budget 2023 should really move towards finally implementing that.

Number two is that we need to reduce labour shortages. Pandemic immigration backlogs must be addressed to encourage our government to dedicate all the resources required to do that. We must open up an introduction of a trusted employer stream for the temporary foreign worker program. In time, we need to aggressively—really aggressively—increase our intake targets to about 500,000 a year in the economic stream alone. On the other side of the coin, we have to help employers directly with training and upskilling and by providing them with money through the taxation system. The bottom line is that we need more workers, and we need funds to train them.

Number three is supply chain disruptions. The government's role is that it needs to increase and speed up investments in critical transportation and trade infrastructure. The supply chain task force will be issuing its report soon. We support their work, and we urge swift adoption of their recommendations.

Number four is that we really need to grow business investment and exports. Manufacturers need the federal government to increase incentives for innovation and for investment in the adoption of new technology. We must eliminate gaps in our incentive programs relative to our biggest trading partner, the U.S., specifically America's new Inflation Reduction Act. Extending the accelerated investment incentive is also key to helping manufacturers invest in the growth. With regard to boosting exports, governments should really help by expanding the trade accelerator program and should ensure that our trade import monitoring systems are world-class. Eliminating excessive export permit processing delays, which we've seen in the last few years, is one simple way to achieve that level of excellence.

Number five—and this is a biggie—is that we need to help manufacturers transition to net zero. The government should expand programs like the net-zero accelerator fund. We also need to specifically target SMEs, small and medium-sized companies, and help them with the net transitions by creating the SME net transition strategy. We have a net-zero strategy, and we would be happy to talk about this with the committee in more detail at a future time.

At the end of the day, the CME believes strongly that by addressing these five key areas with targeted investments and support for manufacturers we can ensure that our sector, and by extension all of Canada, prospers for decades to come.

Thank you. I'll wait for any questions.

• (1640)

The Chair: Thank you, Mr. Darby and the CME.

We will now hear from Electric Mobility Canada. We have Daniel Breton, who's in person in the room, I understand.

Okay, Daniel, you have up to five minutes, please.

[*Translation*]

Mr. Daniel Breton (President and Chief Executive Officer, Electric Mobility Canada): Good afternoon.

Thank you for welcoming me today.

Electric Mobility Canada is a national industry association dedicated exclusively to the advancement of electric mobility as a means to combat climate change and air pollution while supporting the Canadian economy.

Electric Mobility Canada has more than 175 members, including electricity providers, manufacturers of light, medium, heavy and off-road vehicles, infrastructure providers, utilities, technology companies, mining companies, research centres, government departments, cities, universities, fleet managers, unions, environmental NGOs and many others.

[*English*]

There are three main reasons to support electric mobility.

According to a 2021 Health Canada report, the economic impact of air pollution is estimated at approximately \$120 billion a year, which is roughly 6% of the national gross domestic product. Air pollution causes approximately 15,300 deaths per year, which is eight times the death toll of car accidents. A significant portion of that comes from transportation.

According to a 2019 report from the International Energy Agency, Canada's light-duty vehicle fleet is the worst performer in the world in terms of GHG emissions and fuel consumption per kilometre driven. They are also the largest and second-heaviest in the world.

According to a 2019 report from Clean Energy Canada there will be approximately 560,000 clean jobs by 2030 in Canada, with almost 50% in clean transportation.

According to a 2020 report from EMC, from us, if Canada adopts a strong electric mobility strategy inspired by those of California, B.C. and Quebec, we can anticipate at least \$200 billion in sales revenue between now and 2030.

Since 2019, the Canadian government has accelerated investment in the EV industry in order to create high-paying, sustainable jobs for Canadians while decarbonizing its economy. Just in the past six months, federal and provincial governments have secured more than \$15 billion in investments and tens of thousands of jobs. That's great news, because all this work will most probably end up saving the automotive sector in Canada. Yet, more work needs to be done.

According to an Ernst & Young report published earlier this year, while Canada's been increasing its support for the transition to EVs, other countries are moving faster. This means that Canada dropped from eighth place last year to 13th place in this year's EY report.

According to an RBC report published just a few days ago, "in Canada, we've lagged since 2014, when spending on clean technologies fell sharply. Though we've made up some ground in the last few years"—as I mentioned—"the pace of spending is still about half that of other major economies. China leads the pack, spending about 1.5% of GDP on green investment each year. In some key industries, it's the undisputed global leader."

The U.S., Australia and Japan are further behind, but a major shift is coming south of the border. The recently passed U.S. Inflation Reduction Act will pump \$370 billion into clean investment and leverage additional money from the private sector.

Canada will need to adjust its policies or risk falling even further behind major economies. After a decade of investment we're still not spending enough on clean electricity, which needs about a \$200-billion investment by 2035 to meet current green grid goals, and more thereafter to accommodate rapid growth in electricity demand.

That said, we're much closer to spending enough on green electricity than any other sector. Investment there needs to nearly double. Spending on EVs will need to grow from about \$4 billion to nearly \$22 billion annually, while spending on heat pumps to decarbonize buildings will need to grow more than eight times the current level.

• (1645)

[*Translation*]

Canada has the natural resources, the skilled workforce, the universities, the research centres, and now the will. That's why Electric Mobility Canada supports accelerated investment in the electric vehicle industry. This will help Canada realize its full potential as a world leader in this growing sector.

We recognize the impressive efforts that the federal government has recently undertaken to make Canada a global player, including many new programs and projects announced to support the electrification of vehicles in this country.

To help Canada get to the top, Electric Mobility Canada has the following recommendations for the 2023 federal budget. These recommendations are still in draft form because the deadline is October 8. Today we are providing you with the first draft, and we will provide you with the final recommendations on October 8.

Our recommendations focus on five main and interrelated pillars: rebates and incentives, charging infrastructure deployment, regulation, supply chain and government leadership.

Thank you.

[*English*]

The Chair: Clerk, was Monsieur Breton muted?

The Clerk of the Committee (Mr. Alexandre Roger): No, he's just done his speech.

The Chair: He has finished. Okay.

Thank you very much, Monsieur Breton for your excellent opening remarks.

We'll now hear from the Tourism Industry Association of Canada. We have Ms. Beth Potter with us.

[*Translation*]

Ms. Beth Potter (President and Chief Executive Officer, Tourism Industry Association of Canada): Thank you.

Mr. Chair and Committee members, I would like to thank you for inviting me today.

My name is Beth Potter and I am the President and CEO of the Tourism Industry Association of Canada.

[*English*]

Before my remarks, I acknowledge that we are gathered here today on the unceded and unsundered territory of the Anishinabe Algonquin nation.

TIAC is the national advocate for tourism in Canada. On behalf of thousands of tourism businesses, we promote policies, programs and other initiatives that foster the sector's growth.

Tourism matters. It enables socio-economic development, job creation and poverty reduction. This drives prosperity and provides unique opportunities to women, minorities and young people. The benefits spread far beyond direct GDP contributions and employment. The indirect gains extend through the entire travel ecosystem and supply chains to other sectors.

Despite some improvement over the last few months, tourism businesses incurred a heavy debt load to get through COVID and continue to struggle financially. They face barriers to attracting investment and have considerable challenges attracting and retaining the necessary workforce to run their operations. Disruptions in supply chains, inflation at a 40-year high and rising interest rates are now also impacting our businesses.

Our recent submission to Minister Boissonnault outlined key priorities to help tourism reach its full potential. We recommended key goals to be achieved by 2030. These relate to tourism spending, dispersion, workforce, international overnight visitors and our global competitive position. We have four pillars that will help to achieve those goals.

The first one is to attract and retain a sustainable tourism workforce. The recovery and growth of tourism largely hinges on addressing the significant labour shortages that exist. Tourism HR Canada also submitted a comprehensive proposal to Minister Boissonnault and recommended targeted recruitment campaigns and a specific indigenous workforce strategy.

In the areas of training and skills development, it recommended increasing the number of high school programs, modernizing post-secondary programs, launching comprehension national tourism job bridging programs as well as investing in skills development and training. TIAC supports these recommendations and urges the government to act on them. THRC is a unique organization and is a centre of excellence and expertise in this area. As such, we recommend that the government contribute ongoing resources to them to enable them to carry out this important role.

Our second pillar involves improving access for visitors to and within Canada. Enabling and facilitating the movement of travellers to and within Canada is critical to tourism success. To improve pre-border screening wait times and congestion at airports, additional resources should be allocated to greater adoption of biometrics and the use of other digital tools such as e-gates.

Additional resources should be allocated to expand the trusted traveller pilot program nationwide. The Canada electronic travel authorization program could be enhanced and used to harmonize and streamline a number of Canadian-recognized global security agreements. The government could also take a leadership role and assist in redeveloping routes to connect Canada via motorcoach.

Our third pillar focuses on developing and promoting tourism assets. Significant resources are needed to ensure that Canada has world-class tourism assets and to promote them for travellers to discover and experience. Estimates undertaken by industry experts suggest that it would take billions of dollars in new capital to fully achieve our asset goals. Support for the creation and refurbishment of tourism assets should entail a suite of financial measures. Much of this new financing could be administered via existing organizations. We know in particular the need for targeted support for assets in the indigenous tourism sector.

We recommend a new tax credit for retrofits and upgrades. This would incentivize investment in renovations across the country. A new capital cost allowance could be introduced for capital investments, allowing 100% of the investment in new tourism assets or major renovations to be claimed in the year in which they occur.

To help attract greater private investment, the government could establish pools of public lending capital. Such investment could help leverage billions of dollars from private sources.

● (1650)

To encourage the development of new, sustainable, innovative assets, or refurbishing existing ones, particularly in underserved rural and remote areas, new grants and non-repayable contribution programs could be created.

The marketing and promotion of our assets is also critically important. We recommend that the government increase its annual allocation to Destination Canada to a level on par with its counterparts in other leading countries and commit to that funding for five years.

We also recommend that the government introduce a national meetings, incentives conferences and events fund to also help stimulate the business event sector. The government should encourage

its regional economic development agencies to provide greater assistance to destination marketing organizations for this purpose.

Our last pillar is a regenerative and inclusive tourism sector. As tourism works hard to get back to prepandemic levels, there is an opportunity to make the sector more resilient, sustainable and equitable. We recommend that the government invest in regenerative tourism and acknowledge tourism's role in carbon reduction by introducing tourism-specific programs in support of businesses for new sustainable projects and retrofits across the country.

Canada also strives to be a place of inclusivity and opportunity for all communities. TIAC recommends that the government introduce new tax credits for businesses that develop specialized equity recruitment programs, as well as allocate resources for the implementation of an indigenous-led workforce strategy.

In closing, I trust our more detailed proposals in our written submission, which we will table later this week, will enable you to consider the priorities in the upcoming budget.

Thank you very much. I look forward to our discussion.

● (1655)

The Chair: Thank you, Ms. Potter from TIAC.

We will now hear from Alex Freedman, the executive director of the Community Radio Fund of Canada, for up to five minutes, please.

Mr. Alex Freedman (Executive Director, Community Radio Fund of Canada): Thank you, Chair.

Community radio stations are a critical part of Canada's broadcasting network. They are particularly vital to rural Canadians. They are the front lines in the fight against disinformation.

The sector includes more than 235 stations licensed as community, indigenous or campus in almost every province and territory. More than 120 of those operate in communities of less than 50,000 people. They broadcast content in more than 65 different languages. They are among the last local and live media outlets in communities across Canada.

These are all not-for-profit stations with boards and staff who live in the communities they serve. These stations are reliable. They offer accurate information, because their own families depend on it, and their neighbours do too. For example, during hurricane Fiona, staff at CFIM on the Magdalen Islands, at CKOA in Cape Breton—their station was actually pushed off its foundations by the wind—and CKMA in Miramichi barricaded themselves inside their stations with stacks of pizza and bottled water. They gave the latest updates on power outages, road closures and places where volunteers were urgently needed. They directed those who were injured to clinics with the least volume of patients. They made sure that everyone had the latest weather forecast.

All of this was available by livestream and social media, but without power it didn't matter. Word mostly got out on FM and AM transmitters to receivers powered by batteries. It was only reliable information, unlike the disaster voyeurism as reported by the major networks. Yes, everyone covered the storm. Some provided a service to their listeners. Others just got clicks.

Community media, however, is under threat. Canada has experienced a net loss of more than 275 local news outlets in less than 15 years. The impact of this collective dumbing-down is clear and evident. There's a reason that approximately 12 social media users were responsible for almost 90% of the pandemic disinformation. In the void of local news, Canadians are increasingly turning to social media for their information. We're seeing the impacts.

Margaret Sullivan, the author of *Ghosting the News*, said the following:

Studies show that people who live in areas with poor local news coverage are less likely to vote, and when they do, they [go along] strictly...party lines. To put it bluntly, the demise of local news poses the kind of danger to our democracy that should have alarm sirens screeching across the land.

The CBC relies on hundreds of millions of dollars in operational support but currently moves further and further from local broadcasting every day. Private broadcasters, who benefit from significant tax breaks, put shareholders before the audience. But community broadcasters, who receive no stable government support, keep doing what they do best—supporting our communities.

Many stations operate on an annual budget of less than \$40,000 a year. Any support will make a huge difference for them. We propose two concrete measures that will make that difference.

First, continue the local journalism initiative. It's a program run by Heritage that has been a resounding success. We're one of seven groups who administer the program. This year alone, just our group funded journalists at stations in 41 underserved communities, or communities considered news deserts. Unfortunately, that program expires in 2024. Heritage Canada has already proposed renewing the program permanently at \$15.4 million a year or greater. We wholeheartedly support that proposal. The funding has already made a difference, but the impact will only truly be realized over time.

The second measure is a systemic change for our entire sector. Relative to my colleagues, it's a small number. We're proposing an annual allocation to all 235 community, indigenous and campus broadcasters of a total of \$25 million a year administered through

the CRFC. We can and will ensure that those funds do not directly or indirectly support further disinformation.

The investment translates into an average of \$90,000 per station, providing them with core funding for basic operations, rent on a station or broadcast tower, or paying staff a living wage. These minimal and fiscally responsible investments will provide stability and allow these stations to continue to invest in the Canadian voice.

I want to close by reminding you that, due to their licence, they are all not-for-profit. Every single dollar invested in community radio is reinvested in the communities they serve. Not a dollar is wasted. Not a dollar goes to shareholders. Not a dollar goes to six-figure executive salaries or to million-dollar bonuses paid to C-suite executives for their performance during the pandemic. Every dollar is invested in ensuring that there is a reliable source of local information for generations to come. If we want to support those fighting disinformation, we must fight and support those on the front lines.

• (1700)

[Translation]

Thank you very much. I will be happy to answer your questions in either English or French.

[English]

The Chair: Thank you, Mr. Freedman from the Community Radio Fund of Canada.

Members, we will now hear from the Société d'aide au développement des collectivités et Centres d'aide aux entreprises.

Monsieur Pascal Harvey, you have five minutes, please.

[Translation]

Mr. Pascal Harvey (General Manager, Société d'aide au développement des collectivités et Centre d'aide aux entreprises): Thank you very much, Mr. Chair.

Dear committee members, I am very pleased to represent the Réseau des Sociétés d'aide au développement des collectivités, SADCs, and Centres d'aide aux entreprises, CAEs, in Quebec. I am the proud representative of 67 federally funded non-profit organizations dedicated to the economic development of Quebec's rural and semi-urban regions, as well as to the support of entrepreneurs and to business financing.

Of course, like many Canadian organizations and businesses, we are currently affected by labour shortages. We have to be very resourceful and innovative to help companies in dire need. Yes, there was the pandemic. Fortunately, we've come through it and we're starting to recover. It's a way for us to continue to stand out. However, we need to do it in a different way.

Over the past year, we have had the opportunity to work with Mrs. Sophie Chatel, the MP for Pontiac, on the "For a Green and Prosperous Outaouais" initiative. We really enjoyed working with her. This initiative has the potential to snowball across Quebec. However, we need tools to match our ambitions.

What the network is asking the federal government for in the 2023 budget is more money for the Green Shift program, to which \$9.5 million was allocated. That funding expires in March 2024. The program is in its second year and it targets two of the three sectors where SADCs and CAEs are involved: technical assistance, business coaching and local economic development.

We believe that by 2023, our members will be able to provide even more assistance to businesses in rural and semi-urban areas. Therefore, we are requesting specifically an increased funding for the Green Shift program.

We are also requesting an increased funding for SADCs and CAEs, to develop a new innovation program that would allow SMEs in rural and semi-urban areas to better handle the green transition. In our opinion, this innovation program could be created jointly with Innovation, Science and Economic Development Canada and Inno-centre, in Quebec. It would help businesses with the transition to limit greenhouse gas emissions and better stand out in the Quebec economy.

These are the two requests we are making in the name of our members. This would allow us to continue to do our work well.

We are a group of locally engaged and managed organizations with volunteer boards of directors. What makes us strong in rural and semi-urban territories is our knowledge of businesses. I said I was the spokesperson for the members of the network, but, in fact, I am also indirectly the spokesperson for 10,000 Quebec businesses, since SADCs and CAEs provide direct assistance to them.

So, I have told you who we are and what our needs are for next year.

I'll be happy to answer your questions.

The Chair: Thank you, Mr. Harvey.

[*English*]

I want to thank all of our witness organizations—partners is what I'll say—on behalf of the members. You are doing an amazing job and bring us so much great information.

The members are eager to ask you questions. In our first round of questions, each party will have up to six minutes to ask questions of the witnesses. We are starting with the Conservatives.

MP Baldinelli, you are up for six minutes, please.

• (1705)

Mr. Tony Baldinelli (Niagara Falls, CPC): Thank you, Chair.

I'd like to thank all our witnesses for being here today.

I'm going to begin my round of questioning with Ms. Potter.

It's good to see you again, so soon after our last meeting at committee. I want to thank you for your continued advocacy for our Canadian tourism industry.

As you know, my riding is the number one leisure tourism destination in all of Canada, with 40,000 workers and 16,000 hotel rooms. Prior to COVID, we generated \$2.4 billion in tourism receipts. We probably get 20 million visitors annually. Fifty per cent of the revenues that will be generated in my riding come from American visitation. That was greatly impacted because of COVID.

Like our national industry, COVID had a devastating impact. We were hit first. We were hit the hardest and, as the industry always says, it's going to take our sector the longest to recover.

As you mentioned, and maybe my colleagues aren't fully aware, prior to COVID.... Tourism matters. It's a \$105-billion industry in Canada. It's one in every 11 jobs. It's 2% of our GDP. Two years ago, when COVID devastated things, borders shut down and the sector was closed, the government provided \$1 billion in support in its budget—\$1 billion for a \$105-billion industry. My region alone generates \$2.4 billion in receipts.

Several important programs were created to assist workers, but then in last year's budget, there was nothing. There was some programming and funding for indigenous tourism, which was highly important and highly needed. You had advocated for a continuation of benefit programs until at least the fall, but the government essentially said to the industry that come the spring, May, they would be over. That's fair enough. That's a government decision, but if they're going to stand by that decision, what they have to do is remove those obstacles that stand in the way of the success of our tourism sector. One of those was the continued border measures and programs, such as ArriveCAN, that continued to be in place. It was a huge obstacle. For American visitation, again, as of August, land border crossings are still at 50%. In my community that's 50% of the revenues. It had a devastating impact, and yet the government continued its obstinance and refused to make changes.

Just the other day Dr. Zain Chagla said those border measures could have been removed as early as the springtime. The data was out there. The proof was out there. Many countries, at least 60 countries around the world, had removed their border restrictions, and yet Canada continued to have them in place. In fact, last year's budget even committed \$25 million towards the ArriveCAN app when that could have been put towards destination marketing, for example, once the borders were open.

It's always too little, too late when the government decides to finally end those border restrictions, and we have a long way to go. For example, how long do you expect the Canadian tourism recovery to take to get back to 2019 numbers?

Ms. Beth Potter: Through the chair, I can say that our forecasts predict that domestic spending should recover by the end of 2024, but international spending from visitation will not recover until the end of 2025 at this time.

Mr. Tony Baldinelli: How much money did the Canadian tourism industry forgo? I mean 2019 was the best tourism year ever in Niagara, and I believe nationally as well—again, \$105 billion, \$2.4 billion in receipts in Niagara alone. How long will it take and how much are we forgoing to get there? How long do we need to get back to that \$105 billion or \$2.4 billion figure?

Ms. Beth Potter: At the end of 2022, we should be at \$80 billion, so we will be a solid 24% short of that 2019 high mark. We are anticipating it is going to take us until the end of 2025 to get back to that high mark of \$105 billion. If we can do the things I talked about in my opening remarks, we would like to see and work towards getting to a really robust \$134 billion by 2030.

• (1710)

Mr. Tony Baldinelli: Thank you.

Again, in terms of American visitation and international visitation, although not the greatest number in terms of our visitation base, they represent in my community alone 50% of the revenues that are generated.

When the government commits \$25 million to programs such as ArriveCAN, would you not agree that the \$25 million would have been better put towards organizations such as Destination Canada, towards the marketing of Canada? We're going to need a huge campaign to say to the world that Canada is open again. Do you not agree?

Ms. Beth Potter: Yes, and, in fact, within our proposal we are asking for a significant increase to Destination Canada's budget over the next five years so that we can communicate to the world that Canada is open for business again.

Mr. Tony Baldinelli: Thank you.

Chair, is that my time?

The Chair: That is your time. Thank you, MP Baldinelli.

Now we'll hear from the Liberals for six minutes of questions.

MP Chatel is up.

Mrs. Sophie Chatel (Pontiac, Lib.): Thank you so much.

The world is transitioning towards a green economy. Historically, these changes of such magnitude make losers and winners. The

countries that will be successful in tomorrow's economy will be those that have prepared and have done everything to be successful under responsible leadership.

I was really interested, Mr. Darby, in what you said about your net-zero SME strategy. I would really like it if you could elaborate on that and also submit to this committee in writing, if you can, that strategy.

Mr. Dennis Darby: Through the chair, thank you very much.

First of all, we will share with this committee our net-zero strategy. I assume that will happen, if it has not already. We shared it in the past with the minister's office and with ISED, of course, which we deal with most directly.

Let me talk about that element. I agree with you. There's no reason that Canada should be behind in terms of its transition to net zero. Right now most of the focus has been on very large companies. That makes a lot of sense when you think about how they're the largest emitters.

In order to compete in North America, we have to help those SMEs. Most of the 90,000 manufacturers in Canada are small and medium-sized, family-owned companies, which are either part of a supply chain, provide one part or one ingredient or sometimes just serve a regional market. They need help to transition.

The funding that's currently in the net-zero accelerator fund should be extended so that all manufacturers can adopt technologies. On top of that, we think that Canada is in a position, because of our history and our experience in the energy sector, to be exporting that technology.

I think you're absolutely right that this is an opportunity we can't afford to miss—and let me finish with this—especially when I think about the Inflation Reduction Act in the U.S. We may not always like the U.S. and how it approaches these things, but when it sets its mind to it, it does an incredible job. They have put a huge package of incentives at the federal and state levels to try to use those incentives to bring that technology along. I think Canada has an opportunity to do the same. We're not too late, but we can't wait.

Mrs. Sophie Chatel: I cannot agree with you more, Mr. Darby.

[Translation]

This also leads me to ask a question of Mr. Harvey, because I know he is doing a lot of work on the green transition of small and medium-sized businesses.

Mr. Harvey, can you tell us more about that and why it is important to invest in our small and medium-sized businesses to enable their green transition?

Some might say they are not the largest emitters, but the point seems critical to me and I would like to hear from you on this topic.

Mr. Pascal Harvey: Thank you, Mrs. Chatel.

It is critical for businesses to be on the cutting edge of the green transition, because it is about preparing for the future and moving to a new economy. In 2022 and soon in 2023, we cannot continue as we did even before the pandemic. So we have to change our mentality and our practices. Obviously, there is a cost to this. I would even draw a parallel, Mrs. Chatel, if I may, with the succession in business. Aging companies must transform their business model to allow young entrepreneurs or potential successors to come and be part of this process.

It is wrong to think that companies that act like they did 10 years ago are going to be attractive in the marketplace. It simply is a matter of competitiveness. Since they have a foothold in communities and businesses, the SADCs and CAEs know very well their needs. They can offer support either by referring businesses to existing programs or by developing new programs. This was the case for the Going Green program, implemented by our network in collaboration with Canada Economic Development.

• (1715)

Mrs. Sophie Chatel: Thank you very much, Mr. Harvey.

Would it be possible to send us the details of your green economic transition proposals for small and medium-sized businesses? I'm talking about the Going Green program, but also the other proposals that you mentioned earlier.

Mr. Pascal Harvey: I will be happy to do so.

[English]

Mr. Sophie Chatel: Mr. Chair, do I have any time left? I put my timer on this time.

The Chair: Ms. Chatel, you have one minute left of your six minutes.

Mrs. Sophie Chatel: I have one minute left. Excellent.

[Translation]

Mr. Freedman, thank you very much. I'm very glad I was able to hear your great presentation.

Could you tell us about the digitization of radio stations? How does that work in practice with the digitization of everything?

Mr. Alex Freedman: This is something that stations have a lot of experience with.

Twenty years ago, I was the manager of CJLO, which broadcast over the Internet. There is a very small transmitter, but otherwise everything is on the Internet. The station has been operating that way for 20 years.

[English]

We have always been innovators in community radio. It is vitally important. As I mentioned, we are livestreaming, podcasting—

we're all there. We have stations that have been doing this for a very, very long time. But community radio is unique. It has to also exist on the transmitter towers, because we haven't gotten broadband to all parts of Canada. In the moment of an emergency, we do not have that sort of connection, and we need to make sure that we are there. We are at the front lines for the emergencies.

We live in both worlds, but our stations have always been developers and innovators when it comes to digital technology. In many cases, campus stations' entire audience is that new generation that lives on the Internet.

These have always been the innovators in the broadcasting industry. We just need support to do better.

The Chair: Thank you, MP Chatel. Your time is up.

We will now hear from the Bloc.

MP Ste-Marie, you have up to six minutes.

[Translation]

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

First, let me acknowledge the witnesses who are attending the meeting in person.

Mrs. Potter, Mr. Breton, and Mr. Freedman, thank you for attending.

I also thank Mr. Staples, Mr. Darby, and Mr. Harvey, who are with us virtually.

We have a most interesting panel, with a rich content. I think a lot of your recommendations will be included in our report. I also believe that we will be able to join hands across party lines to pass the right measures.

I have to tell you that Mr. Chambers gave me the famous flying pig socks. I think we all have a pair now, and anything is possible with these socks.

[English]

The Chair: Everybody needs those socks, yes, Monsieur Ste-Marie.

Voices: Oh, oh!

[Translation]

Mr. Gabriel Ste-Marie: That was a joke for the committee members.

My first questions will be for Mr. Breton.

Mr. Breton, thank you for your introduction. We spoke briefly before this session began. Things are moving fast in the electrification of transportation.

If I understand well what you said in your presentation, Canada recently moved from 8th to 13th place. Change is occurring quickly. Is Canada doing enough?

Could you go back to the key challenges, particularly those that relate to your recommendations?

Mr. Daniel Breton: Canada is doing much more than other countries.

It's been almost 20 years since I started talking to people in the federal government about transportation electrification. For many years, not much happened. But things have picked up in the last two years. Minister Champagne is making regular announcements. You see it all over the place, across Canada. It's extremely promising.

The reality is that things are moving extremely fast. You only have to look at what is happening in the United States, Japan and China. These countries are way ahead of the rest of the world in terms of transportation electrification. You can also look at what is happening now in Europe. In fact, we really have to hurry up to catch up with everyone if we want to remain a leader.

We do, however, have a considerable advantage, which is our critical minerals network, Canada has a very interesting potential. We need to develop them responsibly and in collaboration with First Nations. I think that's a must. We cannot use the shift towards electric mobility to, once again, ignore the needs and considerations of First Nations, Inuit and Métis. This is extremely important.

The development of charging infrastructure is also a challenge that we want to focus on, particularly charging infrastructure for heavy-duty vehicles.

An excellent program was announced this summer. It deals with incentives for the purchase of medium and heavy vehicles across Canada. This is great news, and we applauded Minister Alghabra's announcement. However, we believe that a network of charging stations must also be developed for heavy-duty vehicles, which do not have the same needs as the vehicles ordinary Canadians drive.

Just a few weeks ago, a report was released by Natural Resources Canada regarding the charging infrastructure needs we will have in 2025 and 2030. They are talking about 50,000 Level 2 charging stations and public fast-charging stations in 2025, and about 200,000 in 2030.

We do not want only funding, but also targets. The federal government has announced that it wants to adopt a zero-emission standard to get light-duty electric vehicle sales to 20% by 2026, 60% by 2030, and 100% by 2035. So the infrastructure needs to follow.

Figures were brought up by some stakeholders, but are not realistic. However, serious studies have been done for the Quebec government by ICCT, the International Council on Clean Transportation. Another study was done by Dunsky for Natural Resources Canada.

For my part, I work regularly with the Quebec government and with Hydro-Québec. Let's face it: in Quebec, we are blessed with charging infrastructure, much like British Columbia. In the rest of

the country, it is as well developed. We need to make sure we develop the network across the country.

There is one thing to keep in mind. Charging infrastructure for light and heavy electric vehicles will become an essential service in a few years, like electricity. This will go beyond a simple economic need. In all regions of Quebec and Canada, people will want to have charging infrastructure everywhere, which is not the case now. Ontario has obviously fallen behind in the last four years because of a government that decided to stop the development of charging infrastructure for electric vehicles.

There's also an aspect that I think has been missing. Yes, you want to develop an electric vehicle industry, but—I've heard colleagues talk about this—everything about consumer education and training for workers and future workers is extremely important. I was recently talking about this with people from Unifor and the FTQ, the Quebec Federation of Labour. I was telling them that, if we want to help workers who are in declining sectors...

There is no denying that some companies decide to stay frozen in time. They say their business model is done this way and they're not going to change it. We've seen what happened to Kodak, Blockbuster and other companies.

New sectors are emerging. Let us remember that Tesla was a small business a few years ago. Today, it has become a large company because of its foresight. Companies that have a more old-school model are in danger of either being overtaken or disappearing altogether within a few years.

I can give other examples. In Ontario, Li-Cycle is just getting started, but is growing by leaps and bounds. There's Lion Electric, which had five employees when I was in the Quebec government and they were given their first grant. That company now has hundreds of employees and will have thousands in a few years.

The SMEs and people who are thinking and building the future of transportation electrification and sustainable mobility are the ones prodding the big established companies into moving forward.

• (1720)

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

That was very interesting and comprehensive.

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

[English]

MP Boulerice from the NDP is now with us.

[Translation]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Thank you.

[English]

The Chair: Welcome to our committee.

[Translation]

Mr. Alexandre Boulerice: I am pleased to be here, today.

I thank all the experts and witnesses who are with us.

I have at least two rounds of questions. I'll start with Mr. Staples from the Canadian Health Coalition.

You correctly pointed out that in the confidence and supply agreement that we negotiated with the minority government, health issues were central to the priorities put forward by the NDP, including dental coverage for children. This year it is up to \$1,300 per child. Next year, it will be teenagers, seniors and people with disabilities. In 2024, the insurance will apply to the most disadvantaged and to the middle class.

For the coalition, what does providing accessible dental care for the most disadvantaged mean?

What would you like to see in the 2023 budget to ensure the next steps for this new program?

• (1725)

Mr. Steven Staples: Thank you for your question, Mr. Boulerice.

[English]

It's a very interesting agreement. I think we can't understate the importance of the potential of the provisions that are in the confidence and supply agreement between the NDP and the Liberals. Really, we commend the cross-party co-operation that brought this about, and your work as well in the NDP in putting the proposals forward, but it also requires two to tango, as they say [*Technical difficulty—Editor*] this is moving forward, and from what we're hearing, there has been some good co-operation.

This is what Canadians want. It shows that when we work together, we can get deliverables. Dental care is a critical issue. Pharmacare is as well, as are safe long-term care and investments in the health care crisis. All four of the main health care points are important. It will take three years to make significant advancements on that.

With dental care, half a million children will benefit from this initial benefit that is being proposed for this budget. I am glad the government has done its very best to keep to the timelines. It seems to be satisfactorily meeting the terms of the agreement. I think that is very important. One thing we do know is that dental care is very much related to your overall health. It can help alleviate wait times and the backlog that's in the hospital. It keeps people out of the emergency room.

As well, this benefit is desperately needed when we look at inflation and the costs that are being borne by Canadians. It's going to be another part of the package to help people.

I am a little concerned, though, that there may be people not benefiting from it, because it is a means-tested program. While we know it's important to have this program—this is progress—we do hope that at some point it will be extended to include everyone, maybe not in budget 2023, but certainly the commitments of the Liberals that have led up to now...

[Translation]

Mr. Alexandre Boulerice: Thank you, Mr. Staples.

You opened the door for me by talking about prescription drug coverage. That is also part of our negotiations and the results we have achieved.

I am an MP from Montreal. In Quebec, there is already a prescription drug insurance program, but it is a hybrid one, both public and private. This causes a number of problems, especially for part-time workers. That's why the FTQ, CSN and CSQ, the major labour unions in Quebec, are calling for a public and universal program.

This is part of the agreement. In your view, as we look ahead to the next steps for pharmacare, particularly in the 2023 budget, should we be guided by the recommendations in the Hoskins Report, the Final Report of the Advisory Council on the Implementation of a National Pharmacare Program?

[English]

Mr. Steven Staples: Yes, I have some thoughts on that.

I want to acknowledge the work that the many organizations in Quebec have done in publicizing the need for a universal program that takes the current system in Quebec and moves it forward into a stronger, more robust program. I also want to acknowledge that there are deficiencies within the Quebec program that cannot be allowed to remain and that the Hoskins report, the 2019 advisory council report on pharmacare, is really the pathway. It is an excellent report that has been endorsed by all organizations in every province. Many organizations have, and medical professionals have also, even including former ministers of health. Liberal Party ministers of health have advocated for this program. In fact, the plan put forward came from this government itself.

We are glad and relieved that the NDP, through this agreement, have breathed new life into pharmacare. We want to see \$3.5 billion put into getting essential medicines covered, and we believe that this money put forward for the provinces and territories will help overcome resistance in those provinces to play ball and to move forward on pharmacare. It may be part of a larger discussion in terms of other programs or other increases through the Canada health transfer. I don't know what that might look like. We have talked about a new grand bargain in terms of increased funding on the CHT for the provinces and territories in return for co-operating on these provincial programs, especially pharmacare.

However, \$3.5 billion is the number that Hoskins put forward for initial essential medicines, and we would go with that.

• (1730)

The Chair: Thank you, Mr. Staples and MP Boulerice.

That was an excellent first round, members and witnesses. We got a lot of information.

We are moving into our second round. In this second round, we have the Conservatives up first, and it will be MP Lawrence for five minutes, please.

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

Thank you to all the witnesses appearing today. I greatly appreciate their presence.

Most of my questions will focus on you, Ms. Potter, and tourism. I'm looking forward to a discussion.

We have a new leader who is putting people first and putting the tourism sector first, and we want to make sure that the people in your industry are fully supported.

I want to discuss some of the Liberal policies and the impact on your industry in particular. We know that the carbon tax started at \$20 and now is going up to \$170 per tonne. That will be an increase of 750%.

I assume there are many people within the tourism industry who are either dependent on people who are arriving to Canada, transporting within Canada, or maybe even providing the transportation. Do you believe this rapid increase—actually a triple, triple, triple increase—of the carbon tax will have a detrimental impact on the tourism industry?

Ms. Beth Potter: I would like to say that, within the tourism industry, we're looking at ways in which we can do things differently. The opportunity for us to kind of lead the way when it comes to more sustainable practices, practices that lead to a smaller carbon footprint overall, is certainly at the top of our agenda, and it's something that we are working with our global partners on through the World Travel & Tourism Council and the UNWTO.

I would have to say that, when we look at any kind of increased cost to businesses, anything that is going to stand in the way of the visitors that we're looking at to come to Canada, of course, it's something that is detrimental to the industry.

Mr. Philip Lawrence: Thank you very much for that.

I appreciate your commitment to sustainability and the environment. As you said, though, the issue is right now in terms of... Of course, we will transition as an economy to a greener economy; there's no doubt about that. However, coming right out of COVID and then jumping on in April and tripling the carbon tax to increase it seems to me to be not fair to your industry and not fair to Canadians.

Further, we've seen food inflation, because of this government's reckless spending, at over 10%. In addition to being transported here, people come here to Canada for the fabulous food that is here. As we try to attract people, will that increase in the cost of food increase, and will it be a detriment to your members?

Ms. Beth Potter: Thank you for that question.

Of course, offering a unique taste of a place is something a lot of our members are very proud of.

As an industry, we are grappling with rising costs across the board, whether they are the rising food costs, rising costs of insur-

ance or other costs related to the supply chain. These are all challenges we are grappling with.

The only way these increased costs can be absorbed is by passing on the costs to the consumer.

Mr. Philip Lawrence: You have many hard-working wage earners in your industry, as well. They're working extremely hard to feed their families. Many of them have been through a very difficult time, whether they're coming off layoffs or, if they're commission-based, they've seen their commissions dramatically decrease. It's extremely challenging.

Do you think it's fair to them to increase their payroll taxes starting January 1, which means they will keep less of their paycheques just as they're coming out of an extremely difficult time? Is it fair that the government will price-gouge individuals to work or do you think it would be more beneficial to let them keep more of their dollars? They've worked so hard and have been through such a difficult time.

• (1735)

Ms. Beth Potter: Anything that keeps more money in the pockets of our employees is something we would support.

It's unfortunate. Our industry is one that took a real beating during the pandemic. We lost 15 years of employment growth. We are competing with many other industries that did not really have the same kind of reputational damage that the restrictions around the pandemic levied onto our industry. We're very challenged in that way.

As we strive to recruit a great workforce, attract and retain that workforce, we of course want to be able to make whatever we're offering them the most robust offer possible.

Mr. Philip Lawrence: I see that the chair is unmuting, so my time is up.

The Chair: Thank you, Ms. Potter.

MP Lawrence, your time is up.

Mr. Philip Lawrence: I just want to say thank you, Chair, to Ms. Potter for the great work that she has done for her industry.

The Chair: She has done great work.

Thank you, MP Lawrence.

We are going to now move to the Liberals, and MP MacDonald for five minutes.

Mr. Heath MacDonald (Malpeque, Lib.): Thank you, Chair.

I may as well stick with Ms. Potter as well.

One of the largest platforms for booking agencies around the world is booking.com. It did a survey not long ago on sustainability and people travelling to destinations relative to trying to be more green.

How important is it to our country to ensure that we do everything possible to put us on a level playing field with those countries in Europe that are ahead of us in sustainability?

Ms. Beth Potter: Through the chair, as I said earlier, we are looking for every way that we can build forward. We're trying not to use language of building back, but of building forward and doing things in a different way. Doing things that are better for the environment, will reduce our carbon footprint, will be more sustainable and will produce socio-economic benefits for our people and for our communities are top of mind for our industry.

It is important for us to be globally competitive with other countries around the world. We are fighting for the same business as they are. Unlike other situations, like SARS in the early 2000s when Canada was affected and other countries were not so much, we are now competing with the world for the same travellers to come back. It's going to be very important for us to be....

Mr. Heath MacDonald: I want to go back to my colleague.

Tourism in Prince Edward Island, obviously, is extremely important. We've been hit really hard recently with Fiona. I could go into that, but I won't.

I want to list some of the supports that I lobbied for, as an individual and an MP, for the industry. I want to know if these supports were beneficial.

We had the Canada emergency wage subsidy. We had the Canada emergency business account. We had the Canada emergency rent subsidy. We had a large employer emergency financing facility subsidy of up to \$60 million. We had a business credit availability program, the Canada recovery hiring program, the highly affected sectors credit availability program and a regional relief and recovery fund. Those are just some. It totalled about \$15.4 billion that we put into the tourism industry from the time COVID hit. Then there are more programs coming out of the recovery.

Are there any programs that the government should have done? Is there another program that it never touched during the past two and a half years?

Ms. Beth Potter: First I'll just say we are very thankful for the support and the government programs that helped to support our industry through, basically, a complete shutdown. We were hoping to see extensions of the existing supports for a little bit longer. As we saw, our season, our tourism year this year, did not come back as strongly as we had hoped, because of a number of reasons, one being the number of measures still in place at the border.

Is there something specific that I could put my finger on? We have lots of ideas. We had lots of conversations with finance about different programs that could have benefited the industry. I do want to say that what was done for the industry we are very grateful for.

• (1740)

Mr. Heath MacDonald: I know labour is a major issue.

Ms. Beth Potter: Yes.

Mr. Heath MacDonald: I know immigration brought forward a temporary foreign worker program. It was going to start this year. I doubt it had any effect on tourism around the country, but next year is there a specific target market, I guess—if I could use the word “market” loosely—of temporary foreign workers the industry will try to obtain?

Ms. Beth Potter: It all depends on which sector within the industry you're talking to. If you are talking to some of the accommodators, they have existing relationships and agreements with some of the Caribbean countries, and bring up workers through that program. The ski industry out west very much looks to some of the South Asian countries. It's segmented by the suite of sectors that we represent. With the focus on tourism for the temporary foreign worker program, we are really hoping to see a bigger uptake in the number of employers being able to access that program than they had in the last year.

Mr. Heath MacDonald: I just want to add quickly that—

The Chair: Thank you, MP MacDonald.

Mr. Heath MacDonald: I was going to tell them how well P.E.I. is doing in tourism this year.

The Chair: Yes, I know the time goes very quickly.

We're moving to the Bloc and MP Ste-Marie for two and a half minutes, please.

[*Translation*]

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

I'm going to be unoriginal in that I'm also going to ask my questions to Ms. Potter during this round of questioning.

Ms. Potter, since I only have two and a half minutes, I'm going to ask my two questions at the same time, even though the topics are different.

First of all, I would like you to give us an idea of the state of the international conventions sector. We know that large cities like Montreal are struggling right now, and so are their hotels, among others. Montreal was the main destination in the Americas for international conventions. In the tourism industry, have these conventions resumed? What is the situation and what specific measures could the government deploy to better support this industry in Canada?

My second question is about the seasonal and cyclical nature of many jobs in the tourism industry. This is perhaps more the case in the regions. The government had special employment insurance measures in place during the pandemic. It has now removed them, causing a return to the old EI system, and almost doubling the number of hours needed to qualify for benefits. Are tourism businesses in the regions complaining about the situation and the fact that they can no longer retain workers with seasonal jobs?

Ms. Beth Potter: Thank you very much.

Can I answer in English?

Mr. Gabriel Ste-Marie: Yes.

[*English*]

Ms. Beth Potter: To your first question on business events, we think that within our sector it's going to be the last part of the tourism industry to recover. We are seeing that international rivals for the Canadian destinations are going to continue to be a big challenge.

Now that the border measures have been removed, we're hoping to see an uptake in that. There are two recommendations we have where government could support that particular sector. One is a national fund that would help us to go and bid on those events and bring them to Canada. The other is investment in infrastructure. Canada does not have enough big space for hosting big events. If we want to be a major player and in fact continue to attract those big, important business events, we actually need additional convention space. Those are the two on that.

What was your other question?

• (1745)

[*Translation*]

Mr. Gabriel Ste-Marie: My second question was about employment insurance and the fact that we are going back to the old system.

[*English*]

Ms. Beth Potter: Certainly seasonal workers have always been a challenge for our industry. We do know that a lot of businesses will try to keep their high-skilled and long-term staff on the payroll year-round, but what we are seeing right now is that, whether it's seasonal or full-time employment, we are really challenged to attract and retain workers because of the reputational damage that we incurred during the pandemic. We were seen as an industry that wasn't stable to work in, so people took their skills and went elsewhere.

We have a lot of work to do ahead of us in really changing the narrative around our industry being a place to invest in for your career, whether that's on a seasonal basis, a part-time basis, a full-time basis or long term.

[*Translation*]

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

The Chair: Thank you, Ms. Potter and Mr. Ste-Marie.

[*English*]

Now we go to the NDP and MP Boulerice for two and a half minutes, please.

[*Translation*]

Mr. Alexandre Boulerice: Thank you, Mr. Chair.

I will use Mr. Ste-Marie's technique with Mr. Breton. I am going to ask two questions at once and let you use the remaining two minutes as best you can.

Mr. Breton, can you tell us about the impacts of charging stations for trucks and heavy vehicles on reducing greenhouse gas emissions and ending our dependence on oil?

My second question is about the recommendations. You spoke about the government setting an example. I am curious to know what we could do as the federal government.

Mr. Daniel Breton: Before I answer, I just want to give a bit of context. I did a quick bit of math on the number of tourists who visit Canada by car and the amount of GHG that this represents. Roughly three quarters of GHG emissions caused by the tourism industry come from transport. In 2019, this amounted to about half a

billion kilograms of CO₂. This means that supporting the electrification of transport will make tourism a greener industry. It is important to mention.

I drove here in an electric car, so I emitted almost no greenhouse gas, which speaks to what you mentioned before.

Let us turn to the government setting an example. When I was part of the government in Quebec, it was said that government bodies should lead by example, whether it be members of Parliament, public servants or government buildings. For instance, the environment minister uses an electric vehicle. Ten years ago, I used a hybrid car, because we did not quite have fully electric cars yet.

We want to lead by example, and that includes the charging infrastructure. Here in Ottawa, for instance, we see a lack of charging stations for you as MPs, for ordinary citizens and for public servants. Generally speaking, the infrastructure is insufficient.

I remember a directive from a few years ago forbidding people from plugging their electric cars in the 120-volt power outlets around the House of Commons, while allowing conventional gas-powered cars equipped with block heaters to use them. Inconsistencies like that show that we have a way to go in terms of the state setting the example.

The heavy vehicle infrastructure sector will be critical. Many employers in that sector are based in Quebec and Canada, like Lion Électrique, New Flyer and Nova Bus. More and more Canada- and Quebec-based businesses are developing a very important sector.

Let me give an example about heavy vehicles and infrastructure. Three months ago, I was in Norway. Much to my surprise, I discovered that Norway had 825 ferry routes, while Canada has 180. Also, 47% of ferries in Norway are already electric. Of course, the infrastructure there has been built accordingly. I think that we have fewer than a dozen electric ferries in Canada. We are way behind.

An entire shipbuilding industry could be developed around that. I think it would be an amazing opportunity to help shipyards around the country. We cannot pretend that we are not there yet from a technological standpoint. The largest ferry in the world is in Norway. It carries 600 people and 200 cars across 10 kilometres every single day. We are definitely there.

The Chair: Thank you, Mr. Breton and Mr. Boulerice.

[*English*]

We are now going to hear from the Conservatives and MP Chambers, the member with the magical socks.

• (1750)

Mr. Adam Chambers (Simcoe North, CPC): Thank you, Mr. Chair. I'm not wearing mine today but I did wear them the other day, so at least once a week.

My colleague from P.E.I. was showing me some great tourism destinations this summer, which I thanked him very much for, but obviously, recently those destinations are under some significant pressure, and in some cases have disappeared. Hopefully, we can get those back up and running as quickly as possible for those local communities.

I'm going to spend my time a bit differently today. I'm going to give each witness an opportunity to think about a question. I'm going to come back to them after.

Do you have a suggestion for government, for the budget, that doesn't cost any money? You can think about that for a couple of minutes while I talk to Mr. Darby for a few minutes. Then we'll come back to that and give everyone a chance to respond with one idea they have that doesn't cost the government any money. It could be regulatory change, something that you could help us provide to the Minister of Finance that doesn't strain the financial resources more than they are right now.

Mr. Darby, from Canadian Manufacturers & Exporters, I'd like a couple of minutes with you, please.

I'm curious about your take on the competitiveness of the Canadian manufacturing sector vis-à-vis the rest of the world. There's been a lot going on. The U.S. is obviously making some significant investments. There's a lot of talk about onshoring. How do you think our sector is positioned? Are there opportunities to strengthen that?

Mr. Dennis Darby: Through the chair, I'd say right now it's tentative. I think Canada has recovered but at a slower pace than the U.S. We need an industrial strategy clear enough to decide how we're going to compete with the U.S.

The easy answer to the question is, our productivity is lower than most of our trading partners. Our industrial output has been slower to recover. We are restrained by the capacity and by the relatively higher cost to do business here, but there is an opportunity.

The whole Inflation Reduction Act in the U.S. gives Canada an opportunity to be in the tent, to be part of that green transition that my colleagues are talking about, to compete for those jobs, for those onshoring, or nearshoring or friendshoring. I think it is going to require the governments to act at both provincial and federal levels to say that we're team Canada and we want to attract that investment. But unless we put our money where our mouth is, I don't think we're going to get our fair share of investment.

Mr. Adam Chambers: Thank you.

Quickly, before I go back to the panel, do you support or would you support a carbon tariff placed on goods manufactured outside of Canada in jurisdictions that have much weaker environmental laws or no carbon regulations?

Mr. Dennis Darby: That is a huge question. I will tell you that we would be supportive of such things but there are other steps that have to happen first before you put such a thing in place. I think that would be incredibly important to help protect Canadian manufacturers so they're not at an economic disadvantage.

Countries that dump products that are made under poor conditions and low environmental standards should be penalized and we

should have an opportunity. It's a long conversation. I relish the opportunity to talk to you about it in much more detail than I have in my few seconds today.

Mr. Adam Chambers: Thank you very much.

I'll ask Mr. Freedman.

There's a minute and 20. I'll ask the chair's indulgence. I'll give time up in a future round, Mr. Chair, if we can get through everybody very quickly. Thank you.

Mr. Alex Freedman: As it stands, community radio stations receive money directly from commercial broadcasters, not from government. What we propose in the \$25-million solution is not that this come from taxpayers but that through Bill C-11, as Internet broadcasters that profit off Canadians are asked to pay into the system, that money should go to support community broadcasters. This should not be on the backs of taxpayers. There is a system that is soon to be in place, potentially.

Mr. Adam Chambers: Thank you.

Mr. Breton.

Mr. Daniel Breton: The obvious answer for us is the federal ZEV mandate that was announced by the environment minister a few months ago. Right now most people who want to go to electric cars cannot find any. It takes between six months and two years to get their hands on one.

I was looking at some data for Ontario, because you are an Ontario MP. Right now, because of the price of vehicles, gas vehicles, the price of gas, it ends up being less expensive to purchase and own an electric vehicle for many models nowadays.

When you're thinking about Ontario, I was looking at some data from 2021, and for Ontario drivers, Ontario imports approximately 12,750,000 barrels a month for oil for gas and diesel. It costs Ontario taxpayers about \$900 million a month to import to Ontario oil for gas and diesel. If we transfer to electric vehicles, what that will do is keep money in the province of Ontario and create sustainable jobs in assembly, utilities, construction and everything.

That's why we need regulations to get those cars into Canada. Right now we're getting the leftovers because we don't have regulations. The U.S. has them—

• (1755)

[*Translation*]

The Chair: Thank you, Mr. Breton.

[*English*]

Mr. Daniel Breton: —and Europe has them and China has them.

The Chair: We do want to indulge MP Chambers, but you have to be very quick, witnesses, with your one idea.

Ms. Beth Potter: I'm happy to take the next one.

The unique thing about the tourism industry is that the policy and legislation that affects the industry is actually owned by about 24 different ministries and departments. Something that doesn't cost government is actually the establishment of a cabinet committee or other tool that will hold those ministries accountable for implementing changes to policy and legislation that will benefit the industry.

Mr. Adam Chambers: Thank you.

Mr. Harvey.

[Translation]

Mr. Pascal Harvey: One zero-cost measure for the government and the Minister of Finance would be to allow the money that was invested in the Regional Relief and Recovery Fund and that is supposed to be repaid into our financial tool, Capital Réseau, to be cleared quickly, before 2026.

This money is tagged "federal" until after 2025. If the minister and her Cabinet colleagues would allow that money, the repayment of businesses' money into Capital Réseau, to be cleared quickly so that we could use it to create special funds, that would be great.

[English]

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

[Translation]

The Chair: Thank you.

[English]

Do we have everybody, Adam?

Ms. Julie Dzerowicz (Davenport, Lib.): That's way past time, Chair.

The Chair: Yes, I know we're way past time. We'll just hear one more, and then we will move on.

Mr. Staples.

Mr. Steven Staples: I have one suggestion. Enforce the Canada Health Act. We need to give greater priority to the Health Canada strategic policy branch, which is responsible for enforcing, administering and monitoring the performance and adherence to the five principles of the Canada Health Act, and making sure the provinces use that money properly. That would be my only point.

The Chair: Thank you, Mr. Staples.

Members, we are moving to the Liberals' MP Dzerowicz for five-plus minutes.

Ms. Julie Dzerowicz: Thanks so much, Mr. Chair.

I want to thank everyone for your presentations. I wish I had 10 or 20 minutes. I would ask all of you great questions.

I'm going to spend around two minutes with you, Ms. Potter, and then I'm going to move to Mr. Darby. I'm hoping that in my next round I can go to a couple of other people.

It's unfortunate that Mr. Lawrence has left, because there were a couple of things I wanted to follow up on in terms of the conversation that he had begun.

Do you believe it is important for the federal government to continue to fund employment insurance, particularly since so many in the tourism industry are seasonal workers? Do you think we need to continue funding employment insurance?

Ms. Beth Potter: Employment insurance meaning...?

Ms. Julie Dzerowicz: Well, EI.

Ms. Beth Potter: EI?

Ms. Julie Dzerowicz: Yes. Don't seasonal workers apply for EI if they're not working?

Ms. Beth Potter: That would depend on the workers themselves. Oftentimes they will have a secondary job that they will do in the off season. We are the number one employer of young people for seasonal positions. Those young people often leave us and go back to school, so....

Ms. Julie Dzerowicz: Do you think it's important for the federal government to continue to be funding EI?

Ms. Beth Potter: I think it's important that the federal government continue to have EI as an option for those who need it.

Ms. Julie Dzerowicz: Okay, and is it important to fund it, despite the fact that we have high inflation and that things are unpredictable right now?

Ms. Beth Potter: Absolutely.

Ms. Julie Dzerowicz: Okay.

Even though we have high inflation and things are unpredictable, do you think it's important for the Canadian government to continue to ensure that we continue to fund our Canada pension plan?

● (1800)

Ms. Beth Potter: I do.

Ms. Julie Dzerowicz: Okay. The reason I'm asking that is there are different words that are being used on the other side. They'll say, "Do you think we should be funding payroll taxes?" and we'll say, "Do you think we should be funding EI?" I've forgotten how they referred to the CPP, but I wanted to make sure that you also believe we should be funding the CPP.

Hurricane Fiona was completely devastating to eastern Canada. All of us saw the absolutely awful impacts. These once-in-a-lifetime hurricanes or storms are happening far more often. Do you believe that our federal government should be moving urgently and aggressively to combat climate change?

Ms. Beth Potter: Yes.

Ms. Julie Dzerowicz: Part of our climate change plan is to price pollution as our way to decarbonize and try to move to net zero because, if we're not able to get to net zero, unfortunately our climate will continue to warm up and we will have more of this unpredictable weather. I just wanted to put that on the table, because I know that you talked about sustainability and that it is important for the industry to do that, but I also wanted to let you know that it continues to be a big priority for our government.

The next question I have is for Mr. Darby.

Mr. Darby, you said a lot of excellent things and made excellent recommendations in a very short period of time. I heard you loud and clear in terms of the national industrial strategy and the doubling of the manufacturing capacity, which was great. I also heard you refer to the Monique Leroux report.

I wonder—just for us because we want to move forward with some very specific recommendations for budget 2023—if you can follow up. If you have a few things top of mind right now, if there's one, two or three things that you would like to pull out for the committee, that would be really important. If you don't have a chance now, please feel free to follow up with us. It's important for us to have very specific recommendations. Do you have any that come to mind now?

I have one more question before my time ends.

Mr. Dennis Darby: Most importantly, with the evolution since that report around the net-zero strategy of the country, it is incredibly important that we provide the incentives and support so that all manufacturers can transition their energy use in a way that is economical with some risk sharing. That really goes back to that level of investment that Madam Leroux's report talked about, the fact that we've been underinvesting relative to our peers. That would be the one thing right off the top of my head.

Ms. Julie Dzerowicz: You also referred several times to the Inflation Reduction Act. There are many who believe there are some key elements of the Inflation Reduction Act that we might want to replicate and come up with a Canadian version. Are there any elements that you think might be helpful for us to implement here in Canada?

Mr. Dennis Darby: Concerning the Inflation Reduction Act, we were all very happy that Canada got included in the tent of what qualifies for subsidies in the EV world of the U.S., and that's great, but the other side of it is that the U.S. has put in a number of incentives to attract production to the U.S. It's great that Canada can participate, but hard for Canadian companies because they're competing with their American counterparts who have been heavily subsidized.

It doesn't mean we have to do exactly the same, but the idea of a refundable tax credit and partial de-risking of that investment would really make sure Canada gets more than.... We don't want to be just the people who mine minerals. We want to be the people who mine the minerals, refine them, build batteries and ultimately assemble cars. I think there's an opportunity for us to participate by providing some incentives. That would be my short answer.

Ms. Julie Dzerowicz: Thank you. That's great.

Thanks so much, Mr. Chair.

The Chair: Thank you, MP Dzerowicz.

Members and witnesses, we are moving into our third round. This will be our final round. We are starting with the Conservatives.

MP Albas, you have five minutes, please.

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

I just want to make sure that we're all absolutely clear. When we talk about CPP and other payroll taxes like EI, we're talking about increases that are scheduled. Maybe if MP Dzerowicz is really concerned about temporary foreign workers paying into the system.... Right now they have to pay into it, and then they go back to their original country and they can't ever claim CPP or receive those EI benefits when they've left Canada. She might want to talk to her own finance minister if she thinks that's not a good thing to do for people in those situations.

Mr. Breton, thank you so much for coming. I want to talk to you about technical requirements for electric vehicle charging stations. You talked about how other countries are able to get people and that infrastructure in.

Concerning the Electricity and Gas Inspection Act and other statutes, there are consultations that have just closed on kilowatt hour billing. Essentially they're saying that it's going to take until the end of 2023 to have a standard for level one and level two charges, and they're just starting to put out a level three charging station consultation. Right now we could be having private companies putting money into the system and not requiring governments, provincial or federal, to put in the infrastructure so that there are more electric vehicles. That's a way that we can.... Just change a technical standard. Would you agree that needs to happen faster?

• (1805)

Mr. Daniel Breton: It does. Measurement Canada has been working at this. We were surprised to see that they were talking about level one. It's a plug on the wall.

Mr. Dan Albas: It's new technology.

Mr. Daniel Breton: Yes. Basically the issue is mostly with fast chargers, so level three. Starting with level two is a good step, but we have to move faster, obviously, because right now we are seeing some disparities depending on what type of electric vehicle you have. Some charge faster than others. Some are at a disadvantage because they have an older model and they will pay more to get the same amount of electricity.

Mr. Dan Albas: Do you think that the end of 2023 just to deal with level one and level two standards is way too long?

Mr. Daniel Breton: It's too long.

Mr. Dan Albas: Absolutely. I appreciate that. It's great to see you here today. I appreciate your views.

I'm going to Mr. Darby.

You mentioned supports for training, upskilling, etc., that perhaps government could flow back monies to small and medium-sized companies that are in your industry. Right now the government is planning on pulling out more money, as you heard earlier, by tripling the carbon tax.

First of all, do any of your companies receive a rebate when they are under the federal backstop?

Mr. Dennis Darby: I can't answer that question directly. I'm not sure to be fair, but I don't think so. If it's a question related to carbon tax, clearly it's a disincentive, but that's why we actually need those supports for training and for investment, because the cost of doing business in Canada is—

Mr. Dan Albas: The challenge is that when you run a program, lots of small and medium-sized businesses don't know about it. Wouldn't it be smarter if we just let them keep their money rather than drawing out...? At \$50 a tonne many small and medium-sized businesses have said they're at a disadvantage to the United States. Do you believe that?

Mr. Dennis Darby: I certainly believe it. We hear it from our members as well. That's why if we go ahead with our net-zero goals in the country, then we are going to have to help those companies transition. We can't say to them, "Pay the carbon tax, and by the way you have to go find new technology and pay for it." You can't push and pull at the same time.

Mr. Dan Albas: Yes. Right now I'm hearing that they can't pay the \$50 a tonne, yet we're talking about going to \$170 a tonne. I just think that's too much.

You also mentioned the American Inflation Reduction Act. Does that include a carbon tax in it?

Mr. Dennis Darby: No, the Inflation Reduction Act in the U.S. is a pull incentive. The U.S. government has chosen to provide strong incentives to get people to invest in those industries, strong incentives to get them to make parts components in the U.S., or in North America, and then under those circumstances they qualify for a rebate. It really is a pull strategy to get companies to invest.

Mr. Dan Albas: Someone described the Canadian approach as being all stick and no carrot. Would you say that's roughly true when it comes to your industry?

Mr. Dennis Darby: I would say there are both carrots and sticks, but in this particular case, the U.S. has put a huge carrot, and I think early returns are showing that they are attracting businesses. We need to do the same.

Mr. Dan Albas: All right.

The Chair: Thank you, MP Albas and Mr. Darby.

We are moving to the Liberals with MP Baker for five minutes, please.

Mr. Yvan Baker (Etobicoke Centre, Lib.): Thanks very much, Chair, and thank you to all of the witnesses who are with us today.

I would just like to come back to this issue of EI contributions, which a number of the members opposite have suggested be frozen, and the impact that would have. I just want to be clear that the increases in EI contributions when they come up are there because

they're needed to cover the demands for EI by people when they are out of work. That is especially important in a high inflation environment like we find ourselves in today, where the cost of living is even greater.

If people were to lose their employment and need EI, not only would doing what the members opposite suggested mean they would not have enough under normal circumstances, but in this particular case, under this inflationary environment, it would mean that you have even less than people in the past have had to cover the cost of living. I just want us to have our eyes wide open on what freezing EI contributions would actually mean for Canadian workers.

We've seen how important EI and other programs are to support workers when people are hit hard, when businesses struggle, especially during COVID. I think it's irresponsible to suggest that we not contribute enough money into the EI program to make sure it is there for workers when they fall on hard times.

With that said, I would like to change direction and go back to health care.

Mr. Staples, I represent the riding of Etobicoke Centre. In the early stages of the pandemic, there was a long-term care facility in my riding where the Canadian Armed Forces served. It was on the basis of their service in that long-term care home and four other long-term care homes in Ontario that the armed forces issued a report documenting horrific conditions in long-term care.

Back in 2020 when this report came out, the five MPs who represented the ridings in which these long-term care homes were situated, where the armed forces served, wrote a letter to the Prime Minister and a letter to Premier Ford. I was one of those five. One of the things we asked for was national standards for long-term care.

Our government has committed to working with the provinces to establish national standards for long-term care, but I'm wondering if you could explain. In prior interactions, in your presentation, you spoke about national standards and the importance of that in long-term care. Could you explain why national standards are so important?

• (1810)

Mr. Steven Staples: Thank you for your efforts in getting national standards and dealing with the terrible situation in the long-term care homes.

I've read those reports as I'm sure you have. It's hard to read what members of the armed forces were confronted with when they went into those facilities to see the level of care. Basically, of the thousands of people who died in long-term care, some of them didn't die of COVID. They died of starvation, dehydration, whatever else—just a simple lack of care.

My heart goes out to many of the workers in those places who were confronted with a lack of PPE and had to make a choice between the safety of their own families and the people they were caring for every day in the workplace. Many of those people were in the lowest part of our economy. It was a terrible situation and underscores the need.

As you know, there are three forms of long-term care. There are the ones that are run by the government, mostly municipal governments. Then there are non-profit private care facilities. I lived across from one that served the Korean community. It was a charitable organization that was run privately. Finally, there are the for-profits, the ones that are run by big investment firms that have a profit motive in the care of these people.

There was a terrible situation in all of those forms, but we know that the for-profits were much worse. I don't know the specifics of your situation in Etobicoke Centre, but my guess is that it may have been one of these for-profit firms. We need national standards.

We have participated in an exercise funded by the federal government, by the health standards organization led by Dr. Samir Sinha, who came out with a report. We should see something in the fall.

Were his recommendations good? Yes. Were they an improvement on what was there before? Yes. Are they good enough? We're not convinced. There were some gaps there.

We do think there needs to be a minimum number of hours of direct care, and the standard discussion number is four hours at least—sometimes you see higher ones—of direct care for patients by nurses and other caregivers. We think that's very important to put in there, and that would be something the federal government could do through the safe long-term care act, which it committed to.

• (1815)

Mr. Yvan Baker: Thank you.

The Chair: Thank you, MP Baker and Mr. Staples.

We'll now go to the Bloc.

MP Ste-Marie, you have two and a half minutes.

[*Translation*]

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

First, I would like to make a comment. When I look at the state of the health care system in the provinces and in Canada, I see that Ottawa has not been funding the provinces according to its means since the 1990s. There is no doubt that it has damaged the health care system. It is not by imposing federal standards that everything will magically be fixed. There is a lack of money because Ottawa is not contributing what it should. I think all the provinces, including Quebec, have been asking for this since 2015. Yet no meeting has taken place between the premiers and the Prime Minister in Ottawa to discuss the refinancing of the health system. When you underfund health care for decades, tragedies like the ones we have seen happen. I do not think standards are worse in New Brunswick, Saskatchewan or Quebec. I think that Ottawa is not doing its job

and that it is not funding health according to its means. That was my comment.

I now want to turn to the witnesses to whom I have not yet asked questions, like Mr. Freedman, Mr. Darby and Mr. Harvey. My hat is off to you. I agree with your demands. We will make sure that they are reflected in our pre-budget requests. You raise some very important points.

Because my time is limited, I will ask one last question to Mr. Breton.

Mr. Breton, you talked about many elements related to electric vehicles. We have not touched on off-road electric vehicles, like the snowmobiles made by Taïga. Jobs often depend on these off-road vehicles.

Are electric off-road vehicles preferable to gas-powered off-road vehicles? Should Ottawa invest in this type of vehicle?

Mr. Daniel Breton: Definitely. To give you an idea, air pollution caused by a single modern snowmobile is equivalent to about 40 cars. We are not only talking about GHG, but air pollution as a whole.

The Yukon now offers rebates for purchasing electric snowmobiles. I think the federal government could do the same, especially since more and more companies based in Quebec and Canada make snowmobiles, personal watercraft and side-by-sides. BRP is working on something, and there are other actors in the country. It is obviously a sector that needs to be supported. Some US states support this industry, but our federal government is not there yet. I think it is important.

There are other factors to keep in mind. The ZEV standard, as I alluded to earlier, is absolutely essential to ensure a sufficient supply of electric vehicles. Right now, all we have are leftovers. As I said, some US states, Europe and China have put regulations in place. Having to wait six months to two years for an electric car is unacceptable. Regulations will make the difference.

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

[*English*]

We will now go to the NDP.

MP Boulerice, you have two and a half minutes.

[*Translation*]

Mr. Alexandre Boulerice: Thank you very much, Mr. Chair.

We could talk forever about the quality of care in our health care system. I think that we can call for more generous transfers to provinces and for Ottawa to contribute its share. We need minimum safeguards for our seniors who suffered in long-term care facilities. We also have to get the private sector out of our health care system. I believe we can do all three of these things at the same time and come out ahead instead of thinking of them as mutually exclusive. That is my comment.

Mr. Freedman, thank you very much for being here. The quality of our democracy is tremendously important to us. Divisiveness and populism in politics, as we have seen in the United States with President Trump, is a cause for concern. I thought that we would be safe from that in Quebec and Canada. I am not so sure anymore, specifically because of the “freedom convoy” that rolled into Ottawa.

You spoke of disinformation. I would like you to give your thoughts on that.

How can your members, local radio stations that are part of their community, can act as a vaccine when it comes to disinformation?

Mr. Alex Freedman: I will answer in English, if I may.

[English]

It's a very simple answer.

Our stations are in the communities. Our stations are known by the communities, and therefore, when our stations speak, they're informed by said communities.

When the hosts speak, they speak because they've received their information in the grocery store line, because they've connected with those members of the community. I'm not talking international here. I'm talking about where we live.

When you hear that person on the radio or you see them tweeting, or you see them on TikTok or Twitter, you know who they are. You know how you can come back to them and say, “I don't think that's true.” and, “Where did you get that information?” That is the key to local news.

It's not just in the news reports. It's contained in the conversations between hosts. It's contained at the festivals with the artists. This conversation happens all over the place.

If you'll permit me, I'll take a moment because when it comes to tourism, the importance of having good small and medium enterprises is vital. That is the underpinning of tourism. Those enterprises rely on community radio to get their message to their listeners, to the audiences where they will survive, not just in peak tourism season but also off season.

I want to speak to health for a moment. Our journalists were the ones on the ground in Vancouver's Downtown Eastside. They were the ones at the clinic who were hearing from the doctors, and they were the ones who were giving the people on the ground the information they needed in their community.

That's where we play the role of a vaccine when it comes to disinformation, because we're on the ground; we're in the faces of people who need to hear us, and we're responsible to those people when we walk out the door of our station.

• (1820)

The Chair: Monsieur Freedman and MP Boulgerice, that is the time. *Merci.*

Now we'll hear from the Conservatives. MP Ferreri is with us for five minutes.

Ms. Michelle Ferreri (Peterborough—Kawartha, CPC): Thank you, Chair, and thank you for having me. It's a privilege to sit in on the finance committee, and it's nice to see some familiar faces today.

As shadow minister of tourism, I'd like to focus on Beth. I'm going to ask her lots of questions.

Beth, what was allocated in the 2021 budget for tourism? Do you have that number, roughly? You don't have to be exact. You're not going to get tested on it or anything.

Ms. Beth Potter: There was in excess of \$500 million. The \$500 million was for the tourism relief fund, and then there was a little bit more on top of that.

Ms. Michelle Ferreri: Was it all disbursed?

Ms. Beth Potter: I don't have that information. I have not been able to confirm that.

Ms. Michelle Ferreri: What was allocated for the 2022 budget for tourism?

Ms. Beth Potter: There wasn't anything allocated to tourism for 2022, because the \$500 million for the tourism relief fund was a two-year program.

Ms. Michelle Ferreri: It was a two-year program. Just to let people know, was tourism a \$105-billion industry pre-pandemic?

Ms. Beth Potter: Yes.

Ms. Michelle Ferreri: Where are you sitting now?

Ms. Beth Potter: By the end of December of this year we should be at \$80 billion.

Ms. Michelle Ferreri: So you're not there yet.

Ms. Beth Potter: No.

Domestic tourism is better than international, but we're still down by 16% for domestic tourism and by 53% for international visitation. If you put the two of them together, we're down by 24% overall.

Ms. Michelle Ferreri: Can you clarify again one of the things you mentioned earlier in this committee? How many files does tourism intersect with?

Ms. Beth Potter: Twenty-four.

Ms. Michelle Ferreri: Twenty-four.

You answered my colleague's question about what could be efficient. I think what's challenging about tourism, in my observations, is how to actually quantify the economic and mental health impact of what it provides for our country.

This week I met with the Canadian Council of Snowmobile Organizations. This is a \$9-billion industry in Canada, \$3 billion in Ontario. How do you actually quantify how much they help a community when they come into that community? There's the building of the snowmobile, the parts for the snowmobile and the equipment needed for the snowmobile. Then they go for a snowmobile ride. They stop at a restaurant. They stop at a store. They stop at a convenience store or they get gas. All of that really impacts tourism.

The other aspect of it is the mental health component of it, which we've seen is a massive component when we're looking at our well-being and what we've seen in the last two years. So many people look at travelling through the eyes of the tourist, and look at it as an opportunity of privilege, rather than through the eyes of the business owner who operates a tourism business. Those are the people who hold our economy together.

If you had an ask of this government—you already mentioned it, and I'd like to have it on the record again—and the assurance of where the money would go, and if we were not seeing bureaucratic bloat and administrative costs and money lost to where it directly needs to go, what would be your advice for a budget?

Ms. Beth Potter: We have made a submission through the federal tourism growth strategy and within that submission, one of our major recommendations is to put a tool in place. A cabinet committee is the one that comes to mind for us, but we are willing to look at other options whereby those 24 ministries and departments are held accountable for the growth of the tourism industry.

When I say growth, it's not just dollars. It's growth in infrastructure. It's making sure we're competitive on the global level. It's making sure that we're providing sustainable employment for Canadians.

There are many policy discussions that need to happen over the course of the next few years in order for us to not just get back to where we were in 2019, but also to begin that pathway of growth again. We were the highest growing economic sector in the country prior to the pandemic. We want to go back and be that sector again, because the receipts that come into the country through the tourism industry are new money, and that helps to pay for a lot of the other things that we've been talking about here today.

• (1825)

The Chair: Thank you Ms. Potter and MP Ferreri.

Members, this will be our last questioner. It's the Liberals. We have MP Chatel, for five minutes please.

Mrs. Sophie Chatel: Thank you.

I was thrilled to see that my Conservative colleague finally saw the light of day on carbon pricing. Of course, the big economies are talking about border carbon adjustment. In fact, it is no secret that the EU and the U.S. are very interested in that, so let me ask a question. What would happen to Canada's exports to the U.S. and the EU if we didn't have carbon pricing? That's why we need a responsible government solution, not a slogan.

Mr. Darby, would you explain again to this committee the importance of having both the carrot and the stick in order to help our businesses to transition towards a green economy and be successful in tomorrow's economy?

Mr. Dennis Darby: Thank you for the question, Madam. Let me endeavour to look at it this way.

The decision to collect the carbon tax and to put a price on carbon was.... What we talk about adamantly is that the money from that needs to come back to help companies transition, because that's where it becomes valuable. It becomes valuable if we use that money we collect to help companies compete, and that they can com-

pete with the EU and the U.S. ultimately. I think from that point of view, we just need to complete that circle, make sure that we're providing those incentives and those supports so the companies can do that transition. I think that's when we will see the advantage.

Right now it looks a bit balanced more towards the stick than the carrot, but I think the potential is there. Long term, it will be important for Canada to have reached net zero because it will ultimately impact ESG principles. It will impact our ability to compete with Europe and with the U.S.

We just need to continue on the path, in my opinion.

Mrs. Sophie Chatel: I cannot agree more.

I have a question for Mr. Freedman.

[*Translation*]

I'm riding, we have two great local radio stations, CHGA and CHIP FM, as well as several local newspapers.

[*English*]

Concretely, how will your proposal help them to meet the challenges they are facing right now, which I hear about so much from them?

Mr. Alex Freedman: Let's talk for a moment about CHIP FM, because CHIP did an amazing thing during the pandemic. Everybody was locked in their house. Municipal processes were still ongoing. CHIP FM put a microphone inside the MRC, and they were able to broadcast the municipal meetings to the entire population. That gave everybody in the Pontiac region access to the democratic process. That's part of the antidote that we talked about, and that's so important.

What are we saying? Number one, extend the LJI, the local journalism initiative. CHIP has benefited greatly. Both stations in the area have benefited greatly from the ability to have a salary to hire a journalist because they can barely pay their station managers. To have that ability is a remarkable thing.

The second element is that this benefits everybody, not just the community radio stations. This benefits the community newspapers. This benefits community television. The extension of the local journalism initiative will benefit journalists writ large across the community network, the community element, which is so important. It's not isolated. This is a significant solution.

The second part we talk about is this core funding for all community stations. It's much less than what the CBC gets, but it's something that allows them to operate without worrying about whether they're going to be able to keep their transmitters operating, or whether they're going to be able to buy a new mixing board to transition to digital because that's where their new listeners are. Core funding like that will allow them to operate and then to continue to fundraise and invest what they fundraise back into that community.

Everything they do is the underpinning of making sure there's a voice for the people who live in Pontiac, in Miramichi, in Niagara Falls, where you don't get regular information about your community because you're inundated by U.S. stations, or in Peterborough where Trent University has a remarkable radio station and does incredible things. I could on and on. We are part of the community, and that's why we are so important to the viable information....

• (1830)

Mrs. Sophie Chatel: I'm very interested in your proposals because they seem very humble and realistic to me. I would be very grateful if you could submit them in writing and perhaps provide us more guidance, especially as you propose to use the funding of C-11. I'd like to know how we can do that.

Mr. Alex Freedman: It would be a pleasure.

Thank you for your time.

Mrs. Sophie Chatel: Excellent.

[*Translation*]

The Chair: Thank you.

[*English*]

That's the time, MP Chatel. I know it goes very quickly. It went so fast this time because we have incredible witnesses here with us.

I would like to, as I said, call you all partners. On behalf of our committee, you've really helped kick-start our pre-budget consultations in advance of budget 2023. On behalf of members of the committee, the clerk, the analysts, the interpreters and all of the staff, we want to thank you for all of the questions that you answered, and for the great deal of information and ideas that you have provided for us today. Thank you very much. We wish you the best with your evening.

Members, I want to inform you that on the 17th we will have MP Gladu for the first hour, and then departmental officials for the second hour. Just be aware of that.

On that note, members, shall we adjourn?

Some hon. members: Agreed.

The Chair: Thank you very much, everybody. Have a great evening.

The meeting is adjourned.

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