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Chair: The Honourable Wayne Easter





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• (1415)

[English]

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

Welcome, all, to meeting number 17 of the House of Commons Standing Committee on Finance. Pursuant to the order of reference of Tuesday, March 24, the committee is meeting to discuss the government's response to the COVID-19 pandemic. Today's meeting is taking place exclusively by teleconference, and the audio feed of our proceedings is made available by the House of Commons website.

As I mentioned earlier, try to keep your phone on mute when you are not speaking, and I will call your names in the order I have them here for questions. Let's start with roughly five-minute presentations. We had hoped to have six witnesses but we have five, so we'll be a little better on time.

We'll start with Chief Perry Bellegarde with the Assembly of First Nations.

Chief Bellegarde, please go ahead.

**National Chief Perry Bellegarde (Assembly of First Nations):** Thank you, Mr. Chair, for the invitation and the opportunity to appear.

I want to acknowledge and give a shout-out to my fellow witnesses, Chief Yakeleya from the Northwest Territories and Chief Ghislain Picard from Quebec, as well as vice-president David Chartrand and president Calvin Helin.

Mr. Chair, this is a moment of unprecedented crisis for all of Canada and I want to acknowledge the work of the Government of Canada and all parties that came together to get the emergency aid legislation passed as quickly as it was. It was very important to get that legislation passed and get the financial aid out to all the people right across Canada.

I do want to say, when it comes to first nations people, that much more needs to be done. There are 634 first nations across Canada, roughly over a million first nations people, half who live on the reserve, half who live off the reserve in urban settings, and we also have 96 remote fly-in first nations communities. When it comes to COVID-19 and dealing with the pandemic, more needs to be done because of that isolation and the socio-economic conditions that first nations people face right now.

We want to say that first nations citizens are particularly vulnerable to the virus in many different ways. Due to overcrowding, the

virus will spread quickly. The lack of clean water in many first nations means that basic things like handwashing are more difficult to follow and the virus will spread more quickly. Of course, the higher rates of underlying health conditions further increases the risk.

I mentioned there are 96 remote fly-in first nations communities across Canada. There are a number of challenges with that, such as accessing proper equipment and care, for example, gloves, masks, ventilators, hand sanitizer, the testing that needs to be done, dealing with the increased need for doctors and nurses at the nursing stations, and transportation. The medevac transportation in and out of the north is going to have to be taken into consideration, as will bottled water and food security. We believe that Canada's response to the COVID-19 crisis must take into consideration those unique factors facing first nations people.

We also want to say that Canada's response must look at the economies of first nations as well. Most first nations businesses do not have the funds to survive the slowdown we're seeing. Funding to first nations businesses and workers for the duration of this emergency, and full recovery once it has passed, is needed. It's really currently unclear whether first nations businesses will qualify for the wage subsidy or loans programs, or how many first nations workers will qualify for the other benefits. That has to be addressed and looked at.

Technology, such as access to the Internet, is critically important right now and it is desperately needed. This complicates communications and is a barrier to accessing federal programs.

I want to point out that first nations governments are clearly underfunded, with just 3% of expenditures used for administration. Most governments and organizations use at least four times that amount. When the Assembly of First Nations appeared at this committee on February 5, we emphasized this need and the current crisis only makes this more urgent. In particular, the band support funding program at each of the 634 first nations must be looked at and must be supported. That will deal with the gender balance that's required as well, because in a lot of first nations the females work in the band offices.

So far, Canada has provided \$100 million in surge capacity for health services to Inuit and first nations people and \$215 million for first nations stimulus through Indigenous Services Canada. I want to point out that this is not proportional to our population size. It is not based on any dialogue with first nations coming up with that number, and clearly it does not meet the needs, because a lot of those resources that had been sent out are already expended. We understand that this was a first step and that it can be scaled up. We at the Assembly of First Nations appreciate the government's commitment to flow more funds. New health supports have already been exhausted. As we enter the peak of the pandemic, first nations without nurses and doctors will face a dire situation. These circumstances show the urgent need to close the gap between first nations and other Canadians. The consequences are real.

The next steps going forward must be more comprehensive and involve first nations governments in the planning, designing and implementing of any emergency plans.

I have two recommendations. First, our Assembly of First Nations estimates that approximately 10% of all future federal funding for COVID-19 responses should be made immediately available to first nations directly. First nations are roughly 3% of Canada's total population with the fastest growth rates in the country, and with the recent Supreme Court decision in Descheneaux adding tens of thousands more to our list, there's a greater need to meet health care needs with the increasing numbers.

Our child poverty rate is four times that of other children in Canada. Overcrowding is seven times higher. The unemployment rate before the pandemic was two and a half times that of the rest of Canada. These statistics, and a host of other stats that I always talk about, show that support is needed at a higher proportion of response because of those needs. Recently, our executive estimated that the appropriate level is at 10%, at least, to address the higher vulnerability of our population due to historic underfunding that has led to the circumstances that these statistics demonstrate.

First nations must be at all decision-making tables in the plans for these and other resources that are going to be allocated, including the methods of distribution, so that our first nations governments can address the priorities of our people in communities.

I also want to say that using federal government departments to administer these funds that go through existing programs means that terms and conditions limit how first nations can use available funds and there are a lot of owners supporting the requirement. Therefore, we are urging that flexibility be shown. That must be demonstrated by various government departments.

First nations must be equipped to keep their families strong and safe, including support for the enforcement of self-isolation measures introduced by first nations governments. First nations businesses and their workforce need support to survive, resume operations and re-enter the labour market.

These are the next steps needed to protect our people and prevent a disproportionate tragedy for first nations.

My last point is that after this is done, post COVID-19, there is a need to create an economic recovery council for Canada with the full involvement of first nations people.

With that, Mr. Chair, I thank you for your time. I look forward to the questions.

• (1420)

**The Chair:** Thank you very much, National Chief, and I really appreciate the idea of those recommendations. We have to look far down the road, too, on how to gain economic recovery.

We'll turn now to Chief Ghislain Picard with the Assembly of First Nations Quebec-Labrador.

The floor is yours, Chief.

**Chief Ghislain Picard (Assembly of First Nations Quebec-Labrador):** Thank you very much. I certainly want to express appreciation for this opportunity today to present the situation for our first nations in Quebec and Labrador in light of the government response to the pandemic.

First of all, I want to acknowledge that all of us, no matter where we are in the country, are standing or sitting on the traditional territory of one of our many first nations.

I'll try to be brief, because I'd like to share my time with Marjolaine Sioui, who is the head of our First Nations of Quebec and Labrador Health and Social Services Commission. I think the information that she has is very important for the work of this committee.

In light of the last few weeks, our first nations chiefs remain very vigilant and certainly worried about a very uncertain future. That's why we say that our communities have to have access to all the resources and the support that they need to face the pandemic and to protect the members of their territories. In Quebec, as elsewhere in the country, our first nations are part of the most vulnerable peoples and populations, so that certainly has to be taken into account. What we see, and what we have seen for the past three weeks now, is that for many of our communities the prevention measures and preparation that are required to provide the essential services and care for our communities are not meeting the needs as expressed by our communities.

What we also see is that the chronic underfunding in many areas that we've been talking about for many decades now—in housing, education, health, wellness and economic development—is really catching up with us right now. As a result, we have overcrowded housing that is very significant in light of the current situation and we have certain problems in meeting the needs, in terms of confinement, based on that reality. We have a lack of resources in the area of health and social services, and I'm talking about our staff. Obviously, there is a lot of concern as well about food insecurity. This has been expressed time and again by our chiefs.

As well, we're certainly very concerned about the well-being and security of our elders and children and, overall, our communities. Nobody can afford—and I think everybody will understand this—the luxury of facing the possibility of a second wave of the pandemic if we're not adequately prepared.

Yesterday experts mandated by the Government of Quebec presented two scenarios in light of COVID-19. The more optimistic scenario is inspired by what we've seen in Germany, which sees maybe over 1,200 deaths related to COVID-19 by the end of April. The more pessimistic scenario, which is inspired by Italy, projects maybe close to 9,000 deaths for the same period. Considering the risk factors in our communities, for many of our communities, we feel that we're not nearing what we would call a progressive return to our normal situation. That's why it's important to us to have access to the aid and resources that are necessary to try to prevent the worst-case scenario for our first nations in Quebec and Labrador.

To return to the sustained economic life that we would hope to have is going to be difficult. The impacts will be felt for months, maybe even years. I think we have to be prepared and I think it's very important now, more than ever, that we come together as governments in making sure that we can respond promptly to this situation. As stated by the national chief earlier, and I certainly support that, our first nations governments have to be fully involved in any decision-making that includes their communities, and obviously related to the pandemic.

• (1425)

One thing I want to say before I turn it over to Marjolaine is that we have concerns in terms of public safety, public security. As many of you know, many of our communities don't have their own policing services, so they have to rely on the Sûreté du Québec to provide those services. We have made a call about maybe having access to private security agencies or even the Rangers of the Department of National Defence to help support the efforts at the local level. We certainly feel that needs to be addressed as well.

We still feel that the equipment in terms of individual protection has to be delivered as well, even for those communities that have their own policing services.

At this point I'll turn it over to Marjolaine.

[Translation]

**Ms. Marjolaine Sioui (Director General of the First Nations of Quebec and Labrador Health and Social Services Commission, Assembly of First Nations Quebec-Labrador):** Good afternoon.

I'll add to the regional chief's examples. The First Nations of Quebec are the hardest hit in terms of the number of confirmed cases of COVID-19.

Furthermore, with regard to public health, we must ensure that first nations communities have access to health monitoring. We know very well that, at this time, it's difficult to identify among the most vulnerable population—

[English]

**The Chair:** Marjolaine, could I interrupt you? The translator can't pick you up. Please talk slowly.

• (1430)

[Translation]

**Ms. Marjolaine Sioui:** Can you hear me better now?

[English]

Did you get that?

**The Chair:** Go ahead.

[Translation]

**Ms. Marjolaine Sioui:** Given that the Quebec communities are among the hardest hit in terms of confirmed cases of COVID-19, we must establish systems to monitor their health status.

With regard to personal protective equipment and testing, a number of communities felt wronged because they couldn't carry out the testing themselves. This requires the implementation of protocols with the provinces. Recommendations must certainly be made in this area. However, at this time, there are still issues with testing in the communities.

The psychosocial aspect is another key consideration. At this time, the services are meeting the demand. However, we know very well that we must anticipate the resources needed, depending on the peak of the COVID-19 epidemic, to mitigate the post-crisis impact.

Furthermore, the federal government has yet to address the issue of seniors' housing or assisted-living facilities. Quebec has announced a number of investments to protect one of the most vulnerable populations, people aged 70 and over. The federal government has not made any announcements on this matter. As you can understand, the need is critical at this time.

With respect to education, some of our questions regarding students who will complete their term remain unanswered. Some government funding has been announced. However, certain gaps remain, since some people still can't access the funding.

I also want to talk about housing and temporary accommodation. Quebec has about 15,000 affordable housing units. If we wanted to meet existing needs, without taking into account COVID-19, we would need to add 10,000 units in first nations communities. The proximity between the people in the housing units and the communities raises major concerns about the risks of spreading COVID-19. This causes anxiety, and it also constitutes an immediate need.

Lastly, we're also experiencing economic development issues. A number of communities in Quebec depend on the tourism industry and run businesses. These communities are very concerned about this matter. They're asking for measures to ensure a gradual return to normalcy, but also to address the impact that some businesses will feel for months, perhaps even years.

Thank you.

[*English*]

**The Chair:** Thank you very much.

We turn to the Dene Nation's national chief, Norman Yakeleya.

Go ahead, Chief.

**National Chief Norman Yakeleya (Dene Nation):** Mr. Chair, thank you very much, and thank you to members of the finance committee, the Assembly of First Nations national chief, the Métis National Council and other dignitaries who are on this call.

I want to start with a quote from one of our chiefs, Chief Sitting Bull. He said, "Let us put our minds together and see what kind of life we can make for our children", and that is so appropriate in this unprecedented time when all of us in Canada must come together and work together for the good of all Canadians and the humanity of our people. Our elders, known as knowledge-keepers, have always told us that we are to work together. When we signed our treaties—Treaty No. 8, Treaty No. 11 and other treaties—we were to work together.

Today, COVID-19 is pushing us to think together for all of Canada and to honour our elders, and so, Mr. Chair, I have a point to raise with you today. We ask, as Dene, to please allow us some grace and flexibility to do what we have to do to stay alive.

We have done this for thousands of years. We want to thank Minister Miller and the other ministers for giving us that flexibility by supporting lots of families to go back to the land, and to help our families, the ones who are able to, to go back to the land. We want to thank those ministers for listening to the Dene, listening to the aboriginal people, and helping us do this as we continue to look for continued funding to stay on the land and be self-isolated, as we have been told. For the Dene, it means being who we are. We look forward to financial support to continue this, but we also look for the financial support that we need in our most vulnerable communities for our most vulnerable people, our elders, because some of our elders are not able to do that.

We are finding that some elders have to go a long distance to pick up groceries in other communities. We have four communities without any stores. They cannot live in this time on the existing pensions that they receive. They are going above and beyond what most other Canadians maybe take for granted. For the most vulnerable of the Dene Nation, quick, credible research shows that we really need to look at some financial support for our elders. As my colleagues have indicated, they are there in our small communities.

We are working closely with other governments, such as the federal government through the regional office staff, the territorial government and with the chief public health officer to take the necessary steps to protect our nation and our people. There are 15,000 Dene in 27 communities, and 12 of those communities are accessi-

ble only by boat or plane. Now it is Easter and the winter roads have been closed, so we are looking at food security and other essential services for those communities.

● (1435)

Our indigenous communities all across Canada have been identified as the most at risk of COVID-19 because of their remoteness and minimal service. For example, in the Northwest Territories we have 10 communities without RCMP offices and eight communities without any full-time nurses. The Dene Nation was concerned, as we were considered to not have adequate equipment or preparations. We did our own survey and we will share the identified gaps and inadequacies in our communities.

This information has proven very helpful in planning and working with the chief public health officer in the Northwest Territories. The Dene Nation also spearheaded and got support from Canada to look at existing funding agreements. We continue to push for direct funding to bands, so that the chiefs and councils can work with the Dene families to go on the land, to look at how certain segments of society, such as schools, have shut down and to look at how to protect ourselves. There has been a huge uptake of this support in the communities for going back to the land. When we asked, between 853 to 1,880 people said they are prepared to go on the land immediately if they have the funds and more are still calling to go on the land. We thank the federal government for reacting, at a time like this, more quickly than we ever imagined. We know it's possible and we must not revert to the old way of doing business. The Dene will do what the Dene need to do to survive as a nation and sometimes that goes against a policy that we have to work around.

Yellowknife is the largest magnet community in the Northwest Territories. It has the largest indigenous population in the north at approximately 5,500 people, the majority of whom are Dene. The Dene Nation has applied for \$800,000 of federal funding, under the special program, to provide support to urban indigenous people. The Dene leadership was also very concerned about the abuse of alcohol and the negative implications it is having on our people to fight COVID-19. The leadership met by teleconference on April 2 and 3 and passed a historic motion calling on the Government of the Northwest Territories to immediately institute restrictions of the sale of alcohol and cannabis using steps like the rationing of alcohol and cannabis, restricting hours of sale, increasing monitoring and enforcement to curtail bootlegging—bootlegging is doing really well up this way—and support for communities to use the available power to prohibit alcohol should they choose and to look at wellness programs to help our people. If we're asking them to do this, we need to back them up and not leave them in the mess. We need to put together community-specific Dene wellness healing programs.

The health of our people is our primary concern, but we are also very concerned about the economic health of the Northwest Territories with all the layoffs, business closures and food insecurity because of COVID-19 related restrictions. With food security, we are very concerned about our elders—as the federal government knows, we call them our knowledge-keepers—not having the means to put food on the table.

• (1440)

There is access to food as well as cost, where some communities have no stores, as I mentioned, and in some communities, private stores are raising their prices. We also want to make sure additional support for the elders is not clawed back from their pensions or income support. I raised these concerns with Deputy Prime Minister Freeland and Minister Miller at a meeting that they were at with the AFN executive last week.

I'd like to identify this as a challenge, in regard to dealing with Canada. We continue to struggle to ensure the bands are adequately resourced and supported by Canada. The Canadian government wants to work with the GNWT on a government-to-government basis. We do not want specific program money from Canada for our nations to go through the GNWT. Those days are over. We have to look at the Dene government contributing. As the national chief said, we need to work with you. Without our consent, without our control, it doesn't work anymore. This is no longer acceptable to the Dene. Simply put, nothing about us can be without us.

Overall, we are pleased with how Canada has been responding to the COVID-19 emergency and how well they've been working with us in the Northwest Territories. I would like to state that here today for the record, as we continue to defend against COVID-19. Given the time of the year, we must turn our minds to the rapid approach of the flood and forest fire seasons. We are praying that this will have minimum impact on us.

Finally, at this time of the COVID-19 emergency, I would like to wish all of you a safe and healthy Easter break, and a good long weekend with your families.

This is my last comment of the presentation today. We are told to work with our Métis brothers to the north. We ask that you not forget them when you look into the funding. We have 10 Métis nations here and we want to make sure that they are with us. As we've been told by our elders, the Dene and the Métis have to walk side by side and work together. Please think about the NWT Métis.

*Mahsi cho*, Mr. Chair.

• (1445)

**The Chair:** Thank you very much, Chief.

I just want to remind people again that there is some noise starting to pick up on the line. If anybody who is not speaking could please mute their phone, we'll give you time to unmute your phone when we call on you for questions or to speak.

We'll turn then to Eagle Spirit Energy, with Chairman Helin.

**Mr. Calvin Helin (Chairman and President, Eagle Spirit Energy Holding Ltd.):** Thank you, Mr. Chairman. I have to say that both of the numbers that I have are giving me the French interpretation, so I can barely hear anybody speaking.

**The Chair:** What we'll do, Calvin, is that the people who are running the system from Ottawa will connect with you directly, if that's possible, and get that corrected. While they're trying to do that, we'll go to the Métis National Council with Mr. Chartrand. We'll have him speak first and then come back to you.

David.

**Mr. David Chartrand (Vice-President and National Spokesperson, Métis National Council):** Thank you, Chairman Easter.

Let me first acknowledge my fellow indigenous leaders who are on the line today. Thank you very much for all your wisdom and sharing.

I do have a question for the chairman, Mr. Easter. I am asking why ITK, Inuit Tapiriit Kanatami, is not on the call. I was talking to my colleague Natan Obed and he's asking the same question. I'll leave that question for you to answer later.

Let me start off with my opening remarks to the House of Commons Standing Committee on Finance.

My name is David Chartrand, for the record. I am the vice-president and national spokesperson for the Métis National Council. I'm also president of the Manitoba Metis Federation. I want to start off by wishing everyone and all family members who are listening, indigenous and non-indigenous leaders, safe and best wishes for your families during this crisis.

I also want to state to my colleagues in Quebec and others who speak French, that I apologize for not having the time to translate my presentation into French. Please accept my apologies on behalf of the Métis.

• (1450)

Thank you for inviting me here today to assist in the study of the government's response to the COVID-19 pandemic.

In our discussion on March 13, the Prime Minister assured me that there would be a distinctions-based funding for the Métis nation. On March 25, the federal government provided \$30 million for the Métis nation COVID-19 emergency response plan. The \$30 million immediately went to Métis National Council governing members or provincial affiliates to provide immediate supports to the Métis nation's citizens, families and seniors. They have developed and are rolling out action plans providing immediate support such as food, income, supplies and rent supplements. Thousands of our elders across our homeland in western Canada have been contacted and are being provided with assistance while staying at home.

I greatly appreciate Canada's rapid response to help our citizens and families in times of crisis. At the same time, however, the health emergency has exposed particular vulnerabilities and disadvantages among the 400,000-strong Métis nation population in western Canada. At the federal level, we are excluded from the resources of the first nations and Inuit health branch. At the provincial level, despite our staggering chronic illnesses, the province tells us to deal with the federal government to deal with our unique health care conditions and needs. Even during this pandemic, amazingly, we remain a political football being kicked back and forth between different jurisdictions.

Let me share with you and all my colleagues who are not at this presentation that we paid billions in taxes as a Métis people in western Canada, but right now we are still a political football when it comes to who is going to serve us. It is our hope that the proposed new federal indigenous health care legislation will correct that inequity, but that has now been delayed for a year. In the meantime, we must be vigilant in ensuring that resources to cope with the COVID crisis are available to Métis governments as the situation evolves.

I want to touch on Canada's support for small businesses, which is of particular importance to our people.

We have the highest rate of self-employment of all indigenous peoples. Without special measures being taken, our entrepreneurs may not be able to access the funds being committed to help small business, or access them in time to avoid insolvency.

Our six Métis capital corporations, which make loans to our entrepreneurs, have paused the loan payments of their clients during this period of business interruption, but their clients still need additional bridge loans to make it through this shutdown. Our entrepreneurs are very anxious, which may force them to sell equipment or to abandon leases, decisions they would not otherwise make if they knew there was some financing available to them to get through this rough period.

Most also have difficulty accessing credit from conventional lenders, which is why we established the Métis capital corporations decades ago—in fact, over 30 years ago now. The Métis capital corporations are offering to deploy \$17.3 million in loan capital now for interest-free bridge loans to many of their more than 900 medium and small business clients, who will require this support to survive. They are seeking federal government backing on these loans through the Canada emergency business account or other measures.

The Métis capital corporations are experienced and prudent lenders. They were established on the Prairies more than 30 years ago and they have rolled over their initial capital eight times. In August 2018, a Meyers Norris Penny survey of their activities showed that over the previous three years, their loans of close to \$31 million had resulted in loan writeoffs totalling \$510,000, or 1.6%. This was a lower default rate than the Canadian business lending index for small businesses of a similar period, so their loans could be accorded the same federal backing as those of the banks.

That is very important, and that's the message I'm sending the finance community. That can be supported all the way to Minister Morneau. Their loans should be accorded the same federal backing as those of the banks, but we don't have that.

They also need flexibility to ensure that all their business clients can be funded, including many who pay themselves by dividends and can't meet the \$50,000 minimum payroll requirement for loans under the Canada emergency business account. Just as an example, there are 147 loans in Alberta, and only 37% of them would actually qualify for the \$50,000. The rest won't, because they don't have the minimum \$50,000 threshold.

It's a serious problem for our small and medium-sized entrepreneurs out there that they will not be able to qualify for support or backing of any type. The capital corporations can actually disburse it now. They have stored \$17.3 million among the six capital corporations in western Canada. If they could get the backing, they could then release that to further support our businesses, but we need that assurance from Canada.

• (1455)

On April 2, I wrote to ministers Morneau and Bains seeking federal backing for the \$17.3 million in loans. We are ready to deploy them right now. I realize this is money we have in the bank right now in these capital corporations, so we're not asking for new money at this point. We're saying to just give us the backing from Canada and we'll deploy this money right now to help the small businesses.



I realize that ministers, members of this committee and indeed all of us representing Canadians at this time are facing unprecedented demands, pressures and anxieties. Any assistance this committee can provide in supporting a positive response to our request would be greatly appreciated as I know it is in Canada's interest to help to ensure the survival of the Métis nation business sector.

We encourage you, please, as the finance committee to send this message. The Métis businesses are panicking. They are scared. Many may not come back if we don't give them the support they need now.

We have an opportunity to do something. We can react very quickly, but we just need your support to send that message loud and clear.

As the vice-president for Manitoba, on behalf of the Métis people of Manitoba and of course of Canada, I thank you for the time offered.

Before I close off my comments, I will give an example. Right now I am in dialogue with some of my Chinese business partners. I have done business in China before. I am looking at opportunities, because we have no supports in the Métis nation in western Canada. We do not have clinics. We don't have nurses. We don't have doctors. We have been completely left on our own. I am sincere about that. I'm not being negative about anybody right now, but I sincerely state that we are on our own.

The provinces tell us no. The federal government tells us no. We have no health supports coming into our communities. We have no face masks. We have no hand sanitizer. We have no disinfectants. Nothing is coming into our communities right now.

I am in the process of purchasing 500,000 masks from China. I'm looking at also purchasing gloves. Right now, we're purchasing sanitizer on our own. Those are risk factors for me to also purchase from China, to make sure my product gets here in time.

We have no other supports coming from any government. We're standing on our own as Métis people, yet we pay billions in taxes in this country and we have to fend for ourselves because of this political football of who is blaming whom for who is responsible. That's been our misery for the last hundred years. Daniels settled that in 2015, but we have yet to resolve it.

I thank every committee member for listening to me. I truly express our gratitude from our Métis nation.

Please be safe. Be safe with your families, and stay in isolation.

Mr. Easter, are you still there?

I think we got cut off.

**The Chair:** It's okay. I was the one who was the problem. I put you on mute and forgot to take you off.

**Mr. David Chartrand:** Chairman Easter, I would echo that you please follow up with ITK and why they weren't on this call.

Thank you very much.

**The Chair:** Yes, I am going to make a note of that. We will follow up with them.

For anybody who wasn't invited, if they send a note to the clerk or to me, we will see what we can do in the future. We have only so much space for witnesses on each panel but we'll see what we can do in the future.

Just to point out, we will send up the line your point on the personal protective equipment you mentioned, and we are hearing a lot on the \$50,000 threshold from all over.

Mr. Helin, with Eagle Spirit Energy, I believe you're okay to go now.

• (1500)

**Mr. Calvin Helin:** Yes, thank you very much.

I'd like to start off by acknowledging my indigenous co-panelists and thanking the MPs who are on this standing committee for organizing this at this very important time for not just indigenous people but everybody in Canada, and indeed the world.

I'd like not so much to address the immediate needs during this crisis but to look at the post-COVID-19 needs of indigenous people. I'd like to put those into the context of who indigenous people were in North America.

There's a common notion out there that indigenous people weren't involved in any economics whatsoever. That is a false narrative. For thousands of years we'd been trading with each other. Over 2,000 years ago the Hopewell culture, as it was called, had a trading network that extended across the continent. Indeed, when the Hudson's Bay Company first came into Canada, the reason it prospered was that it plugged into the indigenous trade networks. If it hadn't done that, it's very unlikely Canada would be a country. That prevented the Americans from coming into the western territories.

In the territory I'm from, our people were, like a lot of indigenous people across Canada, very, very astute traders. We were referred to as the Phoenicians of the Northwest Coast by the first Europeans because we out-traded them. This is really important to understand in the context of what's happened in the last couple of hundred years, when we were basically marginalized and shoved off to remote reserves where we couldn't earn any kind of income and we were very economically limited.

Basically, we were put into a situation of what I'd call an economic dependency trap, in which we were unable to prosecute the kinds of economic things we used to do. That's led to all of these problems, social and economic problems that are well known to everybody. The statistics are horrendous.

Recently, Premier Jason Kenney pointed out that Alberta was, in general, likely going to end up with 25% unemployment. That's comparable to the highest unemployment during the Great Depression in the U.S. What most people don't understand is that is the unemployment rate across all first nations in Canada all the time. We're in a great depression and a lot of our people want to get out of it. We want to go back to the big-risk trading culture that we originally had. In some northern communities there's over 90% unemployment. That's there all the time, whether we have COVID-19 or not.

We would like to go back to generating our own sources of revenue. We've been in a situation in which most of our communities are located in remote areas where there has been a lot of natural resources development, but by and large, we haven't been able to participate in that.

Right now there is an openness and a real desire in a lot of indigenous people across Canada to participate in various natural resources industries. It's really critical that we be given that opportunity. Unfortunately, the policy of government has been to put up various kinds of blockades to resource development in most of the indigenous areas.

● (1505)

This is really important for Canada, for several reasons. First, the rapidly growing indigenous population is going to result in a very high percentage of the population in western and northern Canada, where most of the natural resource sector operates. For the health of Canada, with this huge growing number of young people, we need to have jobs for them in the economy. Given that our population is aging, we need those young people in the economy.

We need to have policies that are aimed at allowing the open participation of indigenous people in various kinds of economic activity, and a lot of that is natural resource-based. It's critically important. I think that a lot of the energy policies that have arisen in western Canada are basically savaging the provinces. It's gutting the population in these provinces. Indigenous people have an opportunity to set the environmental rules for these projects. We want to take those opportunities, and we want to be able to create wealth that will lift the boats of not only the most impoverished people in Canada, but all Canadians.

That's my brief statement. Thank you, Mr. Chairman.

**The Chair:** Thank you very much, Calvin.

We will have to be quite tight on the questions to get the first round in at six minutes and the second round at five.

I hope you're on the line, Mr. Poilievre. We couldn't catch you earlier. Are you there?

**Hon. Pierre Poilievre (Carleton, CPC):** I am on the line, yes.

**The Chair:** Before Mr. Poilievre goes to his questions, could I ask everyone to mute their lines, but don't do what I did and forget to take it off mute when you're talking.

Pierre, you're up for a six-minute round.

Perhaps you could name the people you're directing the questions to, so that they can turn on their microphones.

**Hon. Pierre Poilievre:** My question is for Calvin Helin.

Mr. Helin, I've long been an admirer of your work as an entrepreneur and as an author. I've just started reading some of your books, and I can say that, from what I've seen so far, they're very impressive and I look forward to completing them.

You've described the magnificent history of your people and the fact that they were great practitioners of free trade and free enterprise well before the Europeans even arrived in North America, and that the European ideas of socialism have really destroyed or attempted to destroy that free enterprise spirit. I think you're absolutely right. The socialist structures that have been imposed by governments have deprived first nations people of the opportunities to which they are entitled, and you give examples of that through the resource projects that the current federal government has been killing.

I know that you're part of the Eagle Spirit coalition, which is trying to get a major resource pipeline built in western Canada. If the government were to have a change of heart right now and fast-track the approval of that kind of project, would that be a good way to stimulate our economy back to life as we come out of the COVID-19 lockdown?

● (1510)

**Mr. Calvin Helin:** Absolutely. On the first issue, since this is an entirely indigenous-led project, we focused on the environment. Indigenous people and leaders laid down several rules about where they were prepared to go and where they were not prepared to go, and so the environmental model would be controlled by indigenous people. It would result in a hugely negative zero carbon footprint. It would result in a shorter land and ocean route, and we wouldn't be shipping dilbit, which is a mixture of diluent, so there'd be no wasted energy.

Currently, what's happening is we're shipping our oil and gas by rail or pipeline down to the gulf coast through the Panama Canal, through this huge ocean route to Asia, when we could be shipping it to the west coast of Canada and reducing the CO<sub>2</sub> footprint markedly.

In capital investments, our project, according to the team, would result in about \$525 billion in capital investment. In government revenue that would result in \$6.5 billion per year in personal and corporate income tax and about \$17.5 billion a year in royalties and other taxes.

In terms of construction jobs, there would be 50,000 direct and 80,000 indirect, permanent. On the energy corridor there would be 4,500 direct jobs and 29,000 indirect. The increased production would result in, we estimate, about 171,000 permanent jobs in all of western Canada.

This is a huge project. We've been forced to secure a port in Alaska. We're working with the Alaskan government, and they are actually prepared to give us grants to come into their area and have welcomed us. It's kind of unbelievable when we're Canadians and we're trying to help out our own people as indigenous people and trying to help out Canadians, because we have the highest regulatory standard in the world and we have the greatest situation, basically, as far as environmental standards go. It mystifies everybody in western Canada how we can be selling offshore drilling rigs to the Chinese to drill in the ocean off of Newfoundland and the east coast and they are shipping oil from all of these jurisdictions that have terrible human rights and environmental records.

We are basically a resource economy. If anybody has any doubts about that, I would encourage them to look at a Statistics Canada chart that basically shows the various product categories from consumer goods to transport services that contribute to Canada's net trade balance. The biggest contributors to a positive trade balance are natural resources. Energy by far is the biggest. Metals, agriculture and forestry are the next biggest contributors. Everything else, consumer and electronic goods, etc., contributes to a negative net trade balance.

This is critical for Canada. We have to understand why almost no other resource economy in the world is doing what we are doing: because doing it would kill their economy.

**The Chair:** We're going to end that round there. Sorry about that.

We'll turn to Mr. McLeod, then Mr. Ste-Marie and then Mr. Julian.

Mr. McLeod, you're up for six minutes maximum.

Michael, you weren't on initially, so just say where you're from so the interpreters can hear the sound of your voice.

• (1515)

**Mr. Michael McLeod (Northwest Territories, Lib.):** My name is Michael McLeod, the MP for the Northwest Territories.

I want to say thank you to all the panellists who presented.

My question is for Norman Yakeleya from Dene Nation, somebody I know well.

First of all, I want to say thank you to Norman for advocating for the indigenous support funding that landed here in the Northwest Territories. I've been hearing it's very well received. The Dene people were able to get money, Inuvialuit, the self-governing nations, and we're working on the Métis, to get money through the urban and other funding pots.

I live in an indigenous community. I'm probably one of the few MPs who live in an indigenous community. I see the money being put to good use. I look out my window and I see elders getting extra firewood and some of the disabled people getting firewood also. Some of the elders are receiving food packs. We are also seeing a lot of people appreciating all the money that was provided. A lot of people are returning to their traditional hunting areas, which they hadn't been to in a long time.

I want to run a question by Norman Yakeleya, the regional chief for the Dene Nation. Could you tell the committee about the significance of this distinction-based indigenous funding going directly to territorial first nations in the context of other federal programs?

**The Chair:** Go ahead, Chief Yakeleya.

**National Chief Norman Yakeleya:** Thank you, Mr. Chair.

Thank you to our MP, one of the best ones we've had.

I want to state very clearly that the direct funding that has now happened to help people go on the land is very important. We clearly heard from Premier Cochrane that for direct funding to the first nations, the indigenous people, the territorial government is willing to get out of the way and that we have a direct relationship with the federal government. Now the people who get this direct funding determine on their own how that funding is going to be used for the purpose of requesting that funding. That has alleviated a lot of confusion and stress.

The old way of doing things is no longer applicable due to COVID-19. We certainly want to impress upon the federal government, through financial committee meetings such as these and others, that we want to start this new relationship. It is working, and people are really appreciating it. The chiefs know it's a start. As National Chief Perry Bellegarde said, we as first nations know it's a start, and we need to continue supporting this.

It's springtime here in the north. People are now on the land. I've been getting calls from all over the nation. People really appreciate that. We also know there are certain segments of our knowledge keepers, known as the elders, who would love to go but aren't able to as there are many health conditions in our communities.

One of the things that we really wanted to stress is the engagement of the Canadian Rangers to ensure that the people are well fed with on-the-land food, that wood is cut for them and that they're being taken care of. The survey that the Dene Nation did clearly indicates that we in the north are the most vulnerable, but we're also the most powerful ones when we're on the land, so we want to thank whoever in Ottawa helps us continue this process here to really have the protection of—

**Mr. Michael McLeod:** Okay. I want to get one more question in, Norman.

**The Chair:** It will have to be a quick one, Michael.

**Mr. Michael McLeod:** It's a quick one.

I'm watching a lot of the program money landing and a lot of people out spring hunting. There are people setting fishnets, hunting geese, returning to traditional hunting areas. Some people are out there repairing their parents' or grandparents' cabins. Although it's a crisis, it seems that the federal support enabled first nations, the Métis and Inuvialuit to turn the COVID-19 crisis into an opportunity to reconnect with their culture.

Do you also see that, Grand Chief Norman?

• (1520)

**The Chair:** Go ahead, Chief.

**National Chief Norman Yakeleya:** Thank you, Mr. Chair, and thank you, MP Michael McLeod.

I am in with my mother-in-law. I see it in four provinces. I see this as a really good opportunity. As you said, we see this as an opportunity to come back to us as a people, who we are as Inuit, Métis and Dene. We are helping each other. We are taking advantage of this. The elders are telling us how to make camp, how to make fishnets, how to hunt beaver. Ducks are going to come pretty soon, and we call it "blast 'em and pluck 'em season". It is everything that we have known before.

We were encouraged to come off the land and live a different lifestyle. Now the elders are waking up. I have a meeting this afternoon at three o'clock with our elders council of the Dene Nation and sometime soon with our AFN elders council. I think you are right in your assessment. This is really helping the indigenous people.

Again, we want to thank whoever is helping us in Ottawa to make sure that we get direct funding and give the people the ownership of decisions.

We really want to help Canada. The Dene are praying for all of Canada.

**The Chair:** We'll leave it there, Chief. Thank you both.

I remind people to shut off their microphones when they're not speaking and stick to the question.

As well, could Craig in your office, Pierre, send me the list of questioners for the Conservatives? The way I have it at the moment is Vidal, Schmale and Cumming in that order, but if that's changed, tell him to send me a note.

We'll turn to Mr. Ste-Marie.

[*Translation*]

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

First, I want to acknowledge all the witnesses here today and thank them for their presentations.

My questions are for Mr. Picard.

We're obviously experiencing a major health crisis, which has a serious economic impact. I want you to address the issues related to COVID-19 and the impact on your areas of economic activity, particularly the fishing industry.

**Chief Ghislain Picard:** Mr. Ste-Marie, thank you again for giving me the opportunity to answer this question.

Clearly, our chiefs are also very concerned about the economic issue. A number of our nations and communities in Quebec depend on commercial fishing. The same thing goes for traditional harvesting.

I think that we must look at things on two fronts in particular. We're a few weeks away from the start of the fishing season. The concerns relate to the massive influx of foreign workers and also to the availability of compensatory programs.

**Mr. Gabriel Ste-Marie:** On that note, the government—

**Chief Ghislain Picard:** It will be a matter of how far the government is willing to go to compensate for this economy.

• (1525)

**Mr. Gabriel Ste-Marie:** Okay, thank you. I gather that—

**Chief Ghislain Picard:** I want to emphasize that the Assembly of First Nations Quebec-Labrador fully supports the National Aboriginal Capital Corporations Association, which is asking for \$245 million to assist indigenous entrepreneurs across the country. This funding will help support hundreds of businesses and thousands of workers. I think that this ties in with the economic concerns currently being raised in relation to COVID-19, but also with the post-crisis concerns.

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

Mr. Picard, we talked about economic issues and economic activities. To date, the government has announced funding for first nations.

In your opinion, is the amount adequate? Are you concerned about the implementation with regard to the flexibility of the criteria? We know that, generally speaking, the provinces and Ottawa are good at passing the buck by saying that this matter doesn't fall within their jurisdiction. Do you think that the criteria can be relaxed to ensure that the money is freed up quickly? Is there enough money? What about the flexibility issue?

**Chief Ghislain Picard:** We often say that this isn't really the time for jurisdictional disputes.

I also want to add that it's important to know that we're on the second line in the regions. The people on the front line are our experts. I'm thinking of the nurses and social workers, but also of the chiefs facing situations where they must make decisions quickly, in light of situations that only they can properly assess. So to answer part of your question, the funding is clearly inadequate.

In Quebec-Labrador, particularly in Quebec, we already know that the number of cases is much higher. As a result, the risk factor is even greater for our communities. It should be noted that our chiefs want to be in a position where they can prepare rather than respond.

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

[English]

**The Chair:** We'll have to end it there, Mr. Picard. Thank you both.

We'll turn now to you, Mr. Julian, for six minutes.

**Mr. Peter Julian (New Westminster—Burnaby, NDP):** Thank you very much to our witnesses today. You're offering very powerful testimony.

I think MPs of all parties are working together. We want to ensure that we avoid the mistakes of the past. In past pandemics, we have seen indigenous peoples and indigenous communities neglected. We need to learn from those lessons, so we appreciate all of you coming forward today. My questions will be primarily for the national chief, and if Mr. Chartrand wants to respond as well, he is of course welcome to.

I have four questions. First, I would like to repeat that a number of indigenous communities in northern Manitoba and northern Ontario have been calling for the support of the Canadian Forces around protective equipment, supplies and even field hospitals. These requests from indigenous leaders have also been repeated by MPs like Niki Ashton and Charlie Angus in those areas of northern Manitoba and northern Ontario.

My first question is this. Should the federal government be moving quickly to act on these requests, given the dearth of infrastructure and support in those communities?

Second, indigenous communities often suffer from a lack of health care supports and health care staff. Should the federal government take action, working with indigenous communities, to ensure there are enough doctors and nurses and health care support in indigenous communities?

My third question is in regard to the emergency response benefit. It leaves a lot of people behind currently and many of those people are indigenous people. Does it make sense to have a universal benefit that is available to everybody right away?

● (1530)

My fourth and last question, and thank you for your patience, is this. There is \$15 million that has been provided for indigenous people living off reserve, for all the costs linked to COVID-19. Do you believe that is even remotely enough, or are we repeating the errors of the past?

Thank you very much for responding to these questions.

**National Chief Perry Bellegarde:** Thank you, Mr. Julian, for the questions.

To the first question regarding the Department of National Defence and the Canadian Armed Forces, I have been in contact with Jonathan Vance. He's targeting not only the 96 first nations communities but the Inuit communities as well. We had one case in Eabametoong First Nation in northern Ontario. Chief Harvey Yesno has made the request for support, in terms of hospitals, to get up there. It's a community of about 1,600. I would encourage the Canadian Forces to make sure they have their plans in place to deal with the 96 first nations territories when this COVID-19 does hit,

and that they be ready to go into action on a moment's notice to get up there before things spread drastically.

We did say, on the second point about the doctors and nurses, there are no hospitals in the north. They have nursing stations and they're inadequately staffed already. With COVID-19 and the cases coming forward, there is going to be a surge or an increased demand for proper health care, for nurses and doctors to go up there. I would encourage all levels of government, federal and provincial, to start doing the emergency planning to make sure that need is addressed.

Regarding the CERB, the universal benefit for all, I think at some point that should be investigated further to look at the pros and cons of that, because there are a lot of people who are going to be falling through the cracks regarding the CERB that was talked about initially.

For the \$15 million for the off-reserve people, the question was whether it is enough. Of course it's not enough. We have 50% of our people who reside in urban centres, in terms of access to proper health care, issues with rent, issues of food security, all of the above. That's something that has to be kept in mind going forward.

Since this is the finance committee, I would make this last comment regarding the long term, and again stress that once COVID-19 is finished and it mellows out again, everybody needs to get their heads around some sort of economic development advisory team to kick-start the economy with the involvement of first nations people. We have to start thinking about that down the road. Yes, we're dealing with COVID-19 and the immediate health care needs and crisis right now, but we have to start thinking long term as well about how to kick-start the economy in a way that benefits all Canadian people, including first nations, Métis and Inuit.

**The Chair:** Thank you, National Chief.

Would the chief want to add a minute further to that on those four questions? We only have a minute left.

● (1535)

**Mr. David Chartrand:** Thank you for the question, Mr. Julian. I'll keep it short.

Thank you for inquiring about the Métis. There are over 400,000 of us, so I was hoping somebody would ask a question about the Métis people.

Clearly we're not requiring or asking for the military right now. We're creating our own plans as we move forward. One of the things that should be specified very clearly is that we don't have nursing stations. We do not have clinics in any capacity in our villages. We have zero because we're still caught in this limbo between two jurisdictions in terms of who's responsible. As I said, we still pay billions in taxes but nobody seems to take heed of that and worry about us.

The matter you raised regarding the emergency benefits, it's a matter we should all look at again one more time.

On the \$15 million, I'll follow what Perry Bellegarde said. Even in Manitoba right now, we've just decided on our own that for the \$7 million we got, we're giving friendship centres half a million in Manitoba. We're also giving homeless shelters resources from our \$7 million, on our own. We've opened our own pandemic emergency. We own three construction camps and we've now turned them into hospitalization for potential utilization for major pandemics, not just for us but for all Manitobans in the event they need it.

We also have isolation units we purchased from British Columbia that are coming in. Regarding mobility, we've also contacted the school divisions to see if we can use gymnasiums in the event it does go out of hand in our villages. We have big villages everywhere. We're connected right next door to reserves all across western Canada, but we do not have the same benefits, nor do we have any nurses or clinics.

We're on our own right now, and that's an unfortunate situation. As a Canadian, I feel very disappointed in our country right now on this. Why do the Métis have to stand for themselves always on their own? As I said, nobody hesitates to look for our taxes, both provincially and federally, when it comes to paying taxes.

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

We'll now go to the five-minute round, starting with Mr. Vidal.

**Mr. Gary Vidal (Desnethé—Missinippi—Churchill River, CPC):** Good afternoon, everyone. Thank you to all of the people presenting. We really appreciate your input at the committee today.

My first question is for National Chief Bellegarde.

The Canadian Tax Foundation and the Chartered Professional Accountants of Canada prepared a brief earlier this week that addresses a number of aspects of the new wage subsidy program. It includes the eligibility of first nations businesses.

As I am sure you are aware, the standard model for first nations in Canada to carry on business is through the use of limited partnerships. These limited partnerships operate businesses in all parts of the Canadian economy, including forestry, mining, manufacturing, construction and consumer sales. The effect of the COVID crisis on these companies mirrors that of the general Canadian economy.

The brief indicates that this business model will not qualify for either of the amounts of the wage subsidy programs. If first nations businesses, through their limited partnership models, are excluded from these benefits, I see this as a huge gap in the creation of this wage subsidy. What have you heard from your members in regard to this? Have you had the opportunity to have any conversations

with the Minister of Finance about this and how he might address this?

**National Chief Perry Bellegarde:** That's a good question. Thank you, Mr. Vidal.

Regarding that whole piece on the wage subsidy program and the limited partnership model, there is a gap. I think there should be a targeted, specific project or plan to deal with that gap that's been identified.

A lot of our businesses across Canada are going to be affected. I've heard from a number of chiefs in every territory and province that their first nations businesses are going to be affected by COVID-19. They've had to shut their doors, like a lot of businesses. Their rents are due. Their fixed costs have to be looked after. They can't maintain their employee base. It's going to be affecting them, no question. There is a gap.

In terms of having a conversation with the Minister of Finance, not at this point in time, but within the next few days we are planning to reach out to set up that time to talk with Minister Bill Morneau about this issue, and others as well going forward.

We still have to make our points in the upcoming federal budget as well. Everybody is consumed with COVID-19 right now, but at the same time we have to start thinking about the budgeting process for 2020-21, and again maintain the momentum for the continued investment in infrastructure, the green economy, child welfare, health care and water. All those things have to be there as well. We want to bring this point up in addition to the investments in the upcoming federal budget.

● (1540)

**The Chair:** Thank you.

Go ahead, Mr. Vidal.

**Mr. Gary Vidal:** Mr. Helin, you've been very outspoken about your support for the natural resource production sector in the past, and the role that it can play in lifting first nations people out of poverty. We know, as we've heard many times already today, that because of the socioeconomic status of many first nations communities across Canada they are particularly vulnerable in this health crisis and the situation we find ourselves in right now.

The government has announced funding to be sent directly to first nations to help during this pandemic. What would you say are the long-term solutions to these vulnerabilities that these first nations communities find themselves in?

**The Chair:** Go ahead, Mr. Helin.

**Mr. Calvin Helin:** [*Technical difficulty—Editor*]

**The Chair:** We have a technical glitch. Hopefully, Mr. Helin heard the question. We'll come back to that question later, if Mr. Helin gets back on.

We'll turn to Mr. Fragiskatos for a five-minute round, knowing we may have to come back to Gary Vidal.

Peter, go ahead.

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

On March 18, the federal government announced \$305 million for the indigenous community support fund for vulnerable community members. Measures to address food insecurity, education and other supports for children, mental health assistance and emergency response services and preparedness measures to prevent the spread of COVID-19 are the focus of that funding.

Since I am an urban-based MP, I want to ask Mr. Bellegarde and Mr. Chartrand about the urban indigenous focus here and whether they had any thoughts as it relates to COVID-19. Key points to keep in mind would be the health response and the economic response that are particularly unique to urban indigenous communities and populations.

**The Chair:** Do you want to go ahead, National Chief?

**National Chief Perry Bellegarde:** Sure. Of the \$305 million, there is \$215 million for first nations, \$35 million for the Inuit, \$25 million for the Métis and \$30 million for other indigenous organizations across Canada.

As I said earlier, because of the existing socioeconomic conditions of first nations people not only on reserve, but off reserve as well, it's a little better, but almost 50% of our people do reside off reserve, off our territories. We have to be mindful of that term "on and off reserve" because in the Yukon, there are no reserves, but there are 14 communities. The Dene in the Northwest Territories have two reserves, Salt River and Hay River. There are two up there. We have to make sure we're mindful and respectful of those two territories.

There aren't a lot of Indian reserves per se, first nation reserves. The point being made is that 50% of our people do reside in urban centres. There has to be a very clear and specific strategy when it comes to getting access to services and programs for that urban portion for housing, education and economic development programs as well. One can argue that there's an issue about portability of rights as well.

There's a formula now that we're trying to work towards for a new fiscal transfer between the Crown and first nations people. It's based on five elements that we're going to start to look at, that goes to the chiefs and councils.

If this comes to fruition, it will take care of the urban first nations population because it will go directly to the first nations governments themselves. It has to be, number one, treaty-based, and number two, have good relations with the Crown. It should be based on total membership on and off reserve, total citizenship. It has to keep

up with inflation, consumer price indexing. It has to be based on need. The big one is going to be percentage of GDP on the land and resources that first nations people are sharing with all 38 million Canadians. We're sharing a lot of land and we're sharing a lot of resource wealth. Our reserves are on 0.02% of the land base.

If those five elements were put into a new fiscal relationship with the Crown, the urban portion would be looked after, but it's not there yet. The issue of portability of rights is going to be key. I think that's the biggest thing for everybody listening on the line, from a first nations perspective. You just have to look at the beautiful rich country called Canada and think about what the indigenous people are sharing with everybody. The land and resource wealth has to be taken into consideration.

In terms of the urban piece, more work needs to be done, no question. That is a very specific program. It has to be an accessible program in every province and territory because in some provinces and territories, tribal councils are a good valuable vehicle. They should be respected as should the friendship centres. You have to look at each province and territory unto themselves and what works best to be the most effective and efficient way to provide services and programs to those first nations people living in those cities.

Those are my comments on that.

● (1545)

**The Chair:** Mr. Chartrand.

**Mr. David Chartrand:** First, thank you, Peter, for that question.

I want to express again that every time somebody asks a Métis question, we get very excited and very pleased that somebody is thinking about us.

Let me start off with the businesses.

You heard in my presentation that there are over 900 Métis businesses right now being affected by COVID-19 that we know of. We have put the suggestion to the finance committee to send it all the way through to the Minister of Finance and his department to give us the same opportunities you're giving other institutions, such as banks and credit unions, that you're protecting by ensuring that you will protect their loans as they move forward.

What we find, however, is that because the businesses have to be over \$50,000, quite a large fraction of our businesses that will be affected will not be entitled to that opportunity, but if we can get the government to back us up, as with the banks and credit unions, there are hundreds of businesses we know we can immediately impact. We have our own cash in the banks right now. After 30 years of back-and-forth loans, we still have \$17 million altogether. If today we emptied the bank accounts of the capital corporations in western Canada, we can bring out \$17.3 million right now to help businesses, but we need assurances from the Government of Canada that they will back us up on these loans, given this unprecedented state that we're facing right now.

That's a key fundamental opportunity that exists there. I think it's a great opportunity for Canada to say, "Let's use every tool in the tool box." We're sitting there with that kind of capital, but if we put it all out, and that's all we have and nobody is backing us up, we could be shutting down our own offices afterward and we won't even be there to help them. We're asking you if you can send a message to the Minister of Finance that this activation be given to the capital corporations.

My second point is on the health side, and I say this not to be a beggar. We never are. The Métis are a very proud people, a hard-working people, but I have to say that we do not have any health infrastructure at all.

We are very pleased with the position moving forward on health legislation that will deal with Daniels. Daniels is the court case that happened in 2015, which said that the Métis are being prejudiced by Canada and that it has to come to an end.

Clearly that legislation, I think, will find a balance in Canada, and I hope all parties will support it as we move forward. It will create a clear understanding that there has to be a strategy in this country. This pandemic or virus will probably not be the last one that's going to come and attack us the way this one has. Hopefully in our lifetime it will be, but I don't think it will be. The world is facing some new challenges, and we need to be ready for them.

We have changed the world. There is no question about it. We're going to have a different world when we come out of here. Things are going to be completely different, so we need to be planning ahead on health strategy right now, but it can't be that a certain portion of the population in this country will be left behind. It cannot be. I'm a Canadian, a proud Canadian. I pay taxes every year, like everybody else on this conference call right now, and it cannot be because of prejudice that we're left aside.

Peter, I thank you for the question. I hope that the legislation comes into place, but we shouldn't even be waiting for it. We should be jumping in right now.

Thank you, Mr. Easter, for allowing me an extra few minutes.

• (1550)

**The Chair:** Okay.

Thank you, Mr. Chartrand.

Is Mr. Helin back on the line? If you are, Calvin, did you hear Mr. Vidal's question? We'll give you time to answer it if you did. If not, I'll get him to do a quick summary.

**Mr. Calvin Helin:** Thank you.

Could he please re-ask the question?

**Mr. Gary Vidal:** I just commented on your being an outspoken person on behalf of the natural resources sector and the opportunity it has in lifting many first nations people out of poverty.

We've talked about first nations being very vulnerable. My question was, quite briefly, what would you say are the long-term solutions you would offer to the vulnerabilities that are in these communities, maybe going back to that resource sector conversation?

**The Chair:** Calvin, could you keep it to about a minute? We need to get two more questions in.

**Mr. Calvin Helin:** Sure.

There is a Québécois songwriter called Félix Leclerc, and one of the lines in his song is "The best way to kill a man is to pay him for doing nothing".

That rings true to all of us, because the way people validate their sense of self-worth is through the work they do. We have to have work that returns reasonable income and has other benefits to our communities. In the U.S., they proceeded forward with casinos in indigenous communities, and a couple of years ago those casino revenues exceeded \$30 billion.

With our pipeline corridor operating with a full slate of pipelines, \$30 billion is the amount of money that would be largely flowing to first nations in western and northern Canada. There is no other way we can do that, and the government can't create a situation to artificially create real wealth like that.

The unfinished business of Canada is integrating the indigenous people into the economy of the country where we are major players. We want to do that, but unfortunately government policy is standing in the way.

**The Chair:** Okay, we'll end that one there.

We'll go to Mr. Schmale and Ms. Koutrakis. We'll have to go to four-minute questions each, please.

Mr. Schmale.

**Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC):** Thank you very much, Chair, and thank you to the witnesses for appearing.

I want to continue on the theme that we were on, basically focusing on the \$305 million announced to help indigenous communities during the pandemic.



This was announced on March 18. On March 20, Minister Miller announced the details of how that \$305 million fund will be divided and worked out. As I understand it, of that \$305 million, \$215 million is allocated for the Assembly of First Nations members, specifically the 334,000-plus first nations individuals living on reserve; \$45 million is for Inuit, available to the 47,000-plus living in four Inuit homeland regions; we also have \$30 million allocated for the Métis National Council communities and their 42,000 members in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

Now, that leaves about \$15 million for almost 643,000 first nations individuals living off reserve, over half a million Métis not affiliated with MNC, and almost 18,000 Inuit outside of the four ITK regions.

Now, some of you have already publicly raised concerns this week about that funding formula. My question to the panel is this. If you have concerns—not as representatives of your individual organizations, if you don't want to, but just as indigenous people—given that there are vast swaths of first nations, Inuit and Métis people being left out of this formula, is there any message any of you have to the government to address this?

**Mr. David Chartrand:** If I may, Mr. Chair...

**The Chair:** Go ahead, David.

**Mr. David Chartrand:** I apologize. I didn't get the name of the person asking the question.

**The Chair:** It was Jamie Schmale.

**Mr. David Chartrand:** Again, I don't know where you got the 42,000 members. MMF alone has 54,000 voting members 18 and over at the federation, and that's not counting the children. So there are about 100,000 people just in MMF, under our government in Manitoba. Clearly, MNC represents 400,000 people in western Canada. That's not 42,000, so he might have made a slip on that statement, I hope.

Clearly, at the end of the day, there's definitely going to be a challenge in how you get the money around. That's why the Métis government has taken leadership roles here in Manitoba. We're actually sitting down with our friendship centres and we're giving them money up front, because they will eventually, hopefully, get money from Canada. They have food banks, and they have different ways of servicing the citizens—including some of mine but also some who are not ours.

Today, I think we hear the message loud and clear that this is not about one distinct people; it's about all Canadians. So we're moving forward fast on that issue. For example, we met with all the homeless institutions in Manitoba, whether it's the Salvation Army, the Siloam Mission, all of these big ones and small ones. Right now, for example, we're delivering close to 600 sandwiches to these small urban homeless outfits that are outside and operating in some form or fashion. For food banks, we're giving \$10,000, \$15,000, \$20,000 to these food banks that are serving all Manitobans. The same thing is happening right across our homeland.

To your question, "Is there enough?", there's probably never going to be enough, but clearly, at the end of the day, I think we need to start working together, set aside the differences of who we are,

and start moving forward. As I said, I've already opened a 140-bed hospital institution in our construction camp, but it's open to all Manitobans and not just Métis, because I know that this is not a fight of our own; it's a fight for all of us.

I would say, again, that the Métis National Council does represent 400,000 people in western Canada, and I am sure that was a slip or mistake in the numbers when he said 42,000 people. And the rest of the people in eastern Canada, they are not Métis nation citizens, of course, but truly they should be helped in some form or some fashion.

• (1555)

**The Chair:** Okay. We'll have to end that round there.

We'll close off with Ms. Koutrakis. The floor is yours.

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

First, I'd like to thank all of our witnesses for participating and presenting at today's committee meeting, and I hope that they and their families are holding up well during this global pandemic.

I have one question, which I will address to Chief Picard and Madam Sioui.

[*Translation*]

According to the Native Women's Association of Canada, the COVID-19 pandemic may increase the risk of gender-based violence against indigenous women and children.

Can you explain how the \$10 million for emergency shelters will be used to maintain a safe and healthy environment for indigenous women and children in need?

[*English*]

**The Chair:** Chief Picard or Ms. Sioui.

**Chief Ghislain Picard:** I guess it goes back to what we stated earlier, which was supported by my colleague. Definitely, in terms of resources, we're very limited and it really touches on the needs of families, children and women. In a situation like the one we all face, our foundations are very vulnerable, as we said, and more specifically, women. In normal times, we already face a shortage in women's shelters, so it's even more important that we be afforded the resources to respond to those situations that many of our communities face. Not enough can be said on the limitations our leadership faces in these times.

I will ask Marjolaine to add to this.

• (1600)

**Ms. Marjolaine Sioui:** I would like to add that right now Quebec Native Women is working with the shelters. At the same time, there is an increase and we know the funding is certainly going to enhance what is being done right now. You also need to put into perspective that it is also taking care of the children. There is the whole issue with placement of children and all of that.

Of course, there are great things being done, but more needs to be done. We need to make sure that all of those women and children have a safe place to be right now.

**The Chair:** With that, we are at the end of our time for our first panel.

I want to thank all the witnesses for coming forward. As you can see, it's certainly not the same process as when you're a witness in Ottawa, with all the technology we have there, but I want to thank you for your endurance and for the remarks that you put forward.

We will have a written record of what was said, and we can draw from that for our recommendations.

Mr. Chartrand, I've already sent a note up the line on the personal protective equipment. If you have anything more on that point, send it directly to me or the clerk. We'll put it up the line. That's an issue that needs to be addressed immediately.

With that, we'll adjourn this panel and go to the next one. Thank you one and all.

The meeting is suspended for a moment.

• (1600)

(Pause)

• (1605)

**The Chair:** I will call this meeting officially to order.

As you know, the committee is operating pursuant to an order of reference of Tuesday, March 24. The committee is meeting to discuss the response to the COVID-19 pandemic, and we're very much interested in your presentations today and the effect on the tourism industry.

I will ask our seven witnesses to be quite tight in keeping their introductory presentations to five minutes so that we'll have time for members to raise questions.

Again, I remind people to mute their phones unless they're speaking. It really helps with the lines.

We will be starting with Mr.—

**Ms. Charlotte Bell (President and Chief Executive Officer, Tourism Industry Association of Canada):** Mr. Chair, I'm sorry, but I think you forgot me. It's Charlotte Bell with TIAC.

**The Chair:** Okay. I don't have you on my list here, and you're supposed to be on it. Sorry.

Charlotte, go ahead. My apologies.

**Ms. Charlotte Bell:** No, that's okay. I just wanted to make sure you knew I was here. Can you hear me okay?

**The Chair:** Okay, it's good. Thank you.

All right, we'll start with Mr. Hamel with the Alliance de l'industrie touristique du Québec. The floor is yours. Try to keep it to five minutes.

[Translation]

**Mr. Yan Hamel (Member of the Board of Directors, Alliance de l'industrie touristique du Québec):** Good afternoon. I'm the president and CEO of Croisières AML, Canada's largest cruise company. Since 65% of our 600,000 passengers come from outside Quebec, you can see that we're extremely affected by the current crisis. I'm also representing the Alliance de l'industrie touristique du Québec, a group of 14 regional and sectoral tourism associations. We represent 10,000 businesses and over 400,000 workers in the industry.

Mr. Chair, thank you for the opportunity to discuss our situation with you. I also want to acknowledge all the committee members and my other colleagues from Canadian tourism associations. Of course, I would have liked to speak with you under different circumstances. That said, I want to thank the Canadian government for actively listening to us. We're in constant contact with Ms. Joly and some other ministers, and we greatly appreciate it.

Tourism in Quebec is extremely important. It's the fifth largest export sector in Quebec. It generates nearly \$16 billion in revenue, or 2.5% of our GDP. It involves 30,000 businesses and 402,000 workers. This amounts to one in ten workers in our province.

As you know very well, the tourism industry was the first industry affected by the pandemic. Unfortunately, it will be the last to recover. As a result, we'll need substantial government support for longer than Canada's other economic sectors. We acknowledge the government's efforts so far. These efforts have been made in a timely fashion and in response to our recommendations.

I want to draw your attention to two areas identified by the tourism industry as a whole. The first area is support for our workforce. We felt that this area was the most important. The social fabric of our society and our industry is primarily tied to our workforce. The workforce performs all the duties involved in welcoming tourists and ensuring that our industry runs properly. The Canada Emergency Wage Subsidy of 75% constitutes extremely well-targeted assistance that will really help our industry in these difficult times. However, the six weeks required to access this funding may be very long for some small businesses. We would have wanted this time frame reduced to help those businesses meet their cash flow needs.

It should also be noted that Quebec's tourism model is closely linked to the seasons. In Quebec, the peak tourist season is the summer. We would have preferred some flexibility in the definition of lost revenue for the period in question, from March to May. We would have wanted the definition to include revenue lost as a result of deposits for passes and the decrease in bookings. This would give most of our tourism businesses a much better chance of qualifying for financial assistance.

• (1610)

I now want to address our most important request concerning the workforce. It will take our businesses several months, even several years, to get back up to cruising speed, or in other words, to restore their client base and economic performance. Therefore, we want this 75% wage subsidy formula for our tourism industry implemented for at least 12 months, or when the loss of revenue is between 0% and 14% per month.

This aspect is critical to ensuring that we can hold on to our good workforce and keep our workers on the labour market. Businesses can then maintain their key human resource base so that they're able to handle the recovery.

I won't go into all the details, but we're asking for another very important measure. We want the government to better adapt the work-sharing program to the current seasonal nature of our tourism industry. The program should be extended to our seasonal employees and should provide the flexibility to create versatile work units with complementary skills. As a result, an employee could perform different duties in the business. We have different options to propose. We want the age requirement for businesses lowered from two years to one year so that, during this recovery process, younger and innovative businesses can access the program.

Once the situation of our employees has been resolved, another important point remains: support for tourism businesses' cash flow. Businesses depend heavily on cash flow to operate.

Since the impact of the pandemic will last a few years rather than a few months, we need fees waived, not deferred. We really need support from the federal government with respect to rental rates, fees for the use of government infrastructure, regulatory relief, the extension of certain permits, and so on. This measure will be very important.

We understand the principle of flattening the curve. However, like Austria, the Canadian government must be able to provide a projected recovery scenario and a timetable in reverse for lifting the measures implemented.

In particular, as you know, our industry depends largely on bringing people together. The number of people who gather together and social distancing will significantly affect the future of our industry. For example, the occupancy rate following the measures imposed—

• (1615)

[English]

**The Chair:** We'll have to try to finish up—

[Translation]

**Mr. Yan Hamel:** —requires us to have some—

[English]

**The Chair:** Thank you very much.

We'll turn to the Hotel Association of Canada and Ms. Grynol.

**Ms. Susie Grynol (President and Chief Executive Officer, Hotel Association of Canada):** Thank you, Mr. Chair.

The hotel industry in Canada has been decimated by the COVID-19 crisis. We were hit early, and we have been hit hard. In a 48-hour period, our occupancy dropped by 80%. In the weeks that followed, we laid off 80% of our workforce, representing more than 250,000 workers.

Most hotels in Canada today are closed. The ones that remain open are doing so for humanitarian purposes, serving as shelters, as safe places to self-isolate, as quarantine facilities for public health, and as a refuge for front-line and essential service workers. Some hotels in specific regions are preparing to serve as overflow for hospitals as the pandemic worsens.

The majority of our hotels in Canada are owned by small businesses in the community, despite the fact that their property might carry a recognizable brand name. In fact, 60% of the industry does not carry a brand at all. They are small, independent mom-and-pop operators whose businesses are severely at risk.

We commend the Government of Canada for its determination, speed, innovation and boldness in the implementation of the economic measures announced to date. We are here to help the government expedite and maximize the impacts of these programs, and I would like to provide feedback on the gaps and challenges we have experienced.

Our immediate need is liquidity. The government's small and medium-sized business loan and guarantee program is critical, but there are three main problems with its design.

Problem number one is that the systems are being overloaded, and it is very difficult to get access. Our solution is to create a priority structure so that the most vulnerable businesses get access first. This could be achieved by giving priority to those businesses that have experienced the same 30% revenue drop—the approach that's being used in the wage subsidy program—or it could even be as high as a 50% drop.

Problem number two is that when we do get through to the banks, our members are being denied because of the risk, yet we are the sector that needs the loans the most. As our solution, we recommend a full government guarantee for loans to those businesses that were hardest hit and were otherwise solvent before COVID-19.

Problem number three is that the definition of a medium-sized business fails to account for varied ownership structures, which are commonplace in our industry. For example, if a community owner of a hotel has multiple franchises, the loan has to be split among these properties, but if the owner had set up a different corporation for each hotel, each property would qualify for the loan. Our solution is to treat each hotel as a separate business, as has been done in the U.S. for the hospitality and food service sectors to address this very issue.

The wage subsidy program was welcomed with open arms. It will be a lifeline for many hoteliers, and we're delighted to learn that Minister Morneau, just an hour ago, announced that the government will be covering the additional costs of CPP and EI, etc. Our recommendation is to extend the duration of the wage subsidy for businesses that will take longer to recover. The extension could be, for example, until revenue losses are below 30%. This will expedite the rehiring of staff.

Let me leave you with one new idea that would be easy to administer, not add a nickel of government debt and carry negligible risk.

Last year, our members were profitable, and we paid corporate income tax. When our members file their corporate tax returns this year, they will be claiming heavy losses and will carry these losses back to generate a refund of previous taxes paid. The Government of Canada could expedite this process by letting us file a loss carry-back today, rather than waiting until corporate year-end and the time to prepare financial statements and file tax returns. An attestation could be provided on a single sheet of paper and be implemented in a matter of weeks, if not days. This would get much-needed liquidity into the hands of those who need it most.

In looking ahead, to stand this industry back up, we will need stimulus measures, as we did with SARS, to encourage business and other travel. We look forward to those discussions when we can see light at the end of this tunnel.

I want to thank you for your time today.

● (1620)

**The Chair:** Thank you very much, Ms. Grynol. Thank you for the suggestions.

We'll turn to Mr. Keith Henry with the Indigenous Tourism Association of Canada. Go ahead, Mr. Henry.

**Mr. Keith Henry (President and Chief Executive Officer, Indigenous Tourism Association of Canada):** Thank you for the opportunity. I'm just going to launch into this.

We've been analyzing the impacts of COVID-19 and, like my predecessors, we're also seeing significant devastation of our industry as it stands today. Indigenous tourism in 2019 had roughly 1,900 businesses spread through every province and territory. We provided employment for roughly 40,000 people, some of whom were non-indigenous people working in our businesses, and they came in a variety of shapes and sizes.

What we're seeing right now I would like to categorize into three key themes.

First, the current economic stimulus is to flow through the traditional networks of Export Development Canada, the Business Development Bank of Canada, organizations like the regional development agencies and major banks. However, there continue to remain challenges to support for our indigenous tourism small businesses through any of these networks, and we believe that right now, while the best of intentions have been made and we think the ideas are correct, the delivery model needs to be adjusted to ensure that indigenous tourism businesses, which are some of the most vulnerable and at risk within the tourism sector, are somehow protected so that we can rebuild after COVID-19.

There are six major themes we're seeing across Canada with our indigenous business network, and I want to stress that it's important that the committee appreciate that there's been a lot of mix-up between what's community and what's industry. We have a robust industry that's been evolving. Canada has become one of the world leaders in indigenous tourism, and has done so especially over the last five years. Indigenous tourism has grown by almost half a billion dollars in direct sales and GDP during that time.

The first of the six themes that we're seeing right now is that there's a detrimental impact on indigenous tourism operators. We've literally gone from a very promising 2020 season to almost zero. We know that going into April, May, June, July, August, September, October—which is the height of the business season for most of our tourism businesses—we have gone from many bookings to complete zero, so the 1,900 businesses are seeing significant challenges. A lot are small operators doing outdoor adventure and other sorts of cultural experiences. That's going to mean absolute devastation to those small businesses.

The second theme we're seeing across the country is that the loan programming structures are not effective. Most of our indigenous businesses do not access capital through traditional banks. Some of the larger members of our industry will do that, and some of the hotels and casinos and so forth might have more access, but a lot of our small mom-and-pop businesses don't work with major banks, EDC or BDC. They work with the aboriginal financial institutions, and there's been no commitment publicly of stimulus funding into that network yet.

The third theme that we're hearing from across our sector is that there is a lot of confusion with the information that's out there. As we see every day, the programs are being adjusted on the fly, which I think everyone appreciates, but it becomes very confusing for our indigenous tourism businesses, and they don't identify those networks, as I said in speaking about the second theme.

The fourth key theme is that indigenous tourism is still in development. While we have 1,900 businesses, it's fair to say that 800 to 1,000 of them have been developed over the last five to seven years, and many of them are not showing profit-and-loss statements in a way that would get traditional bank financing. No matter what the accommodations are in the economic measures that have been provided through the various programs, ultimately you have to be a viable business, and that's a major concern. Most of our businesses are still in development. They are bringing in more and more paying customers, but they're still very vulnerable to market conditions, and we feel this will completely bankrupt at least 500 to 600 businesses if nothing is done in a very short period.

The fifth theme is that there are challenges with eligibility and the potential for accessing these funds. It just kind of speaks to that same theme. We're seeing significant efforts already by businesses trying to be in contact with Export Development Canada, with the Business Development Bank of Canada and with banks, and they have already been declined. Despite the fact that there have been \$40,000 emergency investments, these things certainly are not being translated into approvals, because the system is overloaded with many other sectors, and the banks are typically looking to support the businesses that they can see very clearly are economically viable, when, as I said previously, many of our businesses are still in development.

• (1625)

The sixth theme I would like to touch on is that we've built indigenous tourism with a lot of trust among our indigenous networks. We have a national organization that I represent. Many provincial and territorial partners have been established in every province and territory. One of the reasons was to make sure we had a coordinated effort to build indigenous tourism in this country, and I think it's really important that the solutions that are moving forward build on these existing indigenous networks with an indigenous solution.

Finally, what we are saying as an industry is that we are first of all pushing to invest at least \$25,000 in 640 businesses in the short term, in what we're calling a stimulus development grant. We've launched an intake of that. We've already had several million dollars in applications. We have some existing program resources that we are investing to help these businesses with short-term cash needs. This has certainly been a huge initial perceived benefit or relief to our sector. There's been no stimulus identified to support this directly yet.

Second, we're recommending that a stimulus resource like BCAP, an indigenous BCAP of \$557 million, be created, and that it flow through essentially the indigenous network. We see three conditions critical to this.

One is for indigenous tourism businesses to be incentivized with a forgiveness amount if the loans are repaid over the proper amortization. We need to defer initial payments until September 1, 2021, because we know 2020 will be a loss leader. It's especially difficult for our businesses, so we need to help them rebuild and keep their businesses moving forward so we can recover appropriately after COVID-19.

As well, if there are stimulus resources redirected through the aboriginal financial institutions network, we must make sure that they're provided at a competitive and equitable commercial rate. There are roughly 60 aboriginal financial institutions in the National Aboriginal Capital Corporations Association, and they often give high-interest loans because they're high-risk. Although our businesses may be high-risk, as many tourism businesses may be for some time to come after COVID-19, we need to make sure that those rates are competitive to save our businesses.

Third, because of the significant apprehension by indigenous businesses about securing loans through the major banks, EDC or BDC, given the lack of equitable access over the past years, we must stress our strong belief that we have to move forward with the aboriginal financial institutions as the longer-term recovery efforts for indigenous tourism in this country.

I just want to finish with—

**The Chair:** Okay—

**Mr. Keith Henry:** Okay. Thanks a lot.

**The Chair:** I hate to cut you off, Keith.

We will turn now to Northwest Territories Tourism and Ms. Bolstad, the CEO. Please go ahead.

**Ms. Cathie Bolstad (Chief Executive Officer, Northwest Territories Tourism):** Good afternoon. Thank you, Mr. Chair and the committee, for inviting Northwest Territories Tourism to be part of this really important conversation, and also for the rapid response that's been taken to help Canadians weather what is an unprecedented health and economic storm.

I just want to start by giving you a little of the Northwest Territories context, because I think that will help serve my comments and feedback on some of the federal programs.

In 2019, the Northwest Territories welcomed 120,000 visitors, and we had \$210 million directly injected into our economy. While those numbers sound small relative to some of the larger centres in Canada as a whole, we've seen a 42% growth in our tourism industry over the past five years. In 2015, Stats Canada said there was about one in 14 jobs—there are 3,000 jobs in the Northwest Territories—with a 42% growth, so there are a lot more people in the Northwest Territories working in this industry and relying on it for their livelihoods.

We have a very unique visitor profile, because the bulk of our visitation actually comes in two very distinct periods: summer, like many Canadian destinations, for a variety of outdoor adventure and experiences; and more importantly, fall and winter for aurora tourism. Summer visitation for the Northwest Territories actually comes primarily from North America, and summer is when those travels go into the regions where we have small communities that are road-accessible. It's really those small indigenous communities that are going to feel the pinch when our summer tourism is immobilized by COVID-19. The summer season for us is actually much shorter than the summer season when you think about other jurisdictions in Canada, because many of our small operators have an eight- to 10-week window in which to capture the revenue that sustains their businesses.

The aurora season actually relies on international visitation from Japan, South Korea and China. China is 17% of total visitors to our territory annually as of last year.

As you can imagine, with our winter visitation profile as I've just outlined, it means the impact of COVID-19 hit us hard and hit us fast, similar to what you heard from Susie. It hit our territory early in the process, because it came in our peak aurora season. It started late in January, escalated into February and hit full form in March, when the territory was shut down to visitation. Tour operators, hotels, restaurants, airlines and retailers saw business grind to an absolute halt in March, when it's normally their peak winter season. For two of our largest hotels in the capital city, which underpin our industry's success across the territory, their combined private sector investments of close to \$60 million over the last few years, which rely on visitation revenues for capital repayment, are now at risk and they are struggling.

The Government of the Northwest Territories recently conducted an industry survey to determine the impacts of COVID-19. The survey closed at the end of March. I want to share with the committee that 77% of those surveyed had already closed temporarily, 36% had laid off or terminated employees, 30% had reduced their services to cut costs, 27% had reduced staff hours and 3% already said they had closed permanently. More than 300 people—again a small number in a big field, but big for here—had already lost their jobs. This impact has primarily been felt in the capital city, but those effects are now being felt in the smaller regional communities and we're hearing loud and clear from them.

Hunting, fishing, paddling and outdoor adventure companies are experiencing cancellations and demands for returns on their deposits from their customers. Many of these small companies operate only in summer, and they've used their customer deposits already to bring their supplies to remote camps or to make investments in capital upgrades so that they are ready to host these visitors, and these visitors are no longer coming in this short season.

What we're hearing from our members is that many are struggling to find federal help that fits the size or the nature of their business, which is seasonal.

For many of the small seasonal tourism businesses, the Canada emergency wage subsidy is not going to apply. For summer operators, employers will not see at least 30% of their revenue drop until the season is over. Their immediate challenge is ensuring they actually have enough cash to keep their operations afloat. Without better support to really ensure liquidity, we're worried that these businesses aren't going to survive to see the end of this pandemic.

Other options for liquidity, such as the Canada emergency business account, require organizations to demonstrate they've paid between \$50,000 and \$1 million in payroll by 2019. What we're hearing from our tourism operations is that they're all small companies and many of the owners are not actually on the payroll, so they're not going to be able to meet these thresholds.

● (1630)

The government's move to support income via the Canada emergency response benefit is a positive step, and we're hearing that, but the industry needs employment benefits for sole proprietors. We're

hearing from business owners here that they're confused about their eligibility and they're not sure how to apply. They need to know who to talk to in the Northwest Territories to get the clarification they need, and they can't find their way.

Measures like work sharing are incredibly important for some businesses to maintain employees when there isn't enough work, but most of our members say there's no business at all now and that's making this option not one for them.

The business credit availability program has also created confusion regarding access for our industry members. Financial institutions aren't available in many of our communities, and even when they are, they often don't have the information on the program to help our businesses figure out if they qualify. Some industry members who own their own properties have said that they have secured the mortgage deferral and it's a help, but those who are renters have to negotiate with property managers with no financial supports available at this time at the federal level. These businesses are asking for some sort of aid for the overhead costs they must incur to keep their business afloat until they see revenue streams begin to flow again.

I hope I've painted a picture that the Northwest Territories is really reliant on a number of things in tourism. Underneath all of that is a network of small airlines that move people and cargo into and throughout the Northwest Territories. We've seen the ground lease rents for airport authorities waived, and this is positive, but currently airlines and airline schedules have been reduced or cancelled altogether, and the situation for these little businesses is quite extreme. Just yesterday I had a small airline member call and advise me that, although it's short, the summer tourism season sustains their winter operations, which serve the residents. Small airlines are flying essential cargo, they're flying food to our communities and they are also the connection to the health care services offered in larger centres. We don't see right now, in any of the financial options available, programs that will bring relief to these small airlines that are the lifelines of our communities.

These are some examples of what we've heard from our members of the Northwest Territories tourism industry and their views on the federal programs announced to date. While I know I have focused mainly on gaps and what needs to be addressed to help the Northwest Territories' situation, I do want to say and I feel it's important to say, that Canada's response has been rapid in the face of an unprecedented situation. Your invitation made to me today underscores Canada's commitment to ensuring that the NWT and the north doesn't fall through the cracks. It gives me great confidence that the federal government is looking to ensure that all Canadians come out of this crisis strong, together.

Thank you for your time today and for your work on behalf of all Canadians.

• (1635)

**The Chair:** Thank you very much, Cathie. You certainly outlined the complexity of tourism across the country and the different circumstances we all face. Thank you for that.

Turning to Tourism HR Canada, we have Mr. Mondor.

**Mr. Philip Mondor (President and Chief Executive Officer, Tourism HR Canada):** Thank you so much, Mr. Chair, and good afternoon to the committee.

Tourism HR Canada's mandate is focused on building an inclusive and resilient workforce, so I will focus strictly on the workforce matters. There are 750,000 jobs directly attributed to revenues derived from tourists and this accounts for 2% of GDP. These jobs would not exist if it were not for the visitor economy. Many tourism businesses receive significant revenues from local residents, which support additional employment. When we measure everyone working in tourism, we employ 1.8 million Canadians. That's roughly 10% of the labour market. When we consider all economic activity and tourism industries, we contribute 5.1% to Canada's GDP.

Three weeks ago we did the first forecasting on job losses due to COVID. In the short term, we estimated losses as high as 770,000 jobs, based on a metric of 70% revenue loss. If you look at the moratorium on hiring students or casual labour for the sector during the peak season, it's another 215,000 to 230,000 who will not get tourism jobs. Normally there's an increase in hours for permanent staff and these, too, will not be realized.

Current evidence suggests that job losses are at the higher end of our projections. Restaurants Canada estimated that 1.2 million will lose jobs in the food services sector. Only two weeks ago they reported that, and already 800,000 have lost their work. We heard from Susie earlier about the Hotel Association of Canada's estimated 250,000 job losses, 153,000 of which are in Ontario and Quebec alone.

The measurement metrics are different on these different projections—different time frames, different scenarios—but the story is the same. It's on a very large scale. It's across Canada. It's in every corner of Canada and it's affecting more than 10% of the labour market. New data from the Conference Board this week is suggesting that 2.8 million jobs will be lost in the economy in March and April alone. If you look at what's attributed to tourism, the losses account for 840,000 jobs in the same window of time, which is slightly higher than what our original projections were. The longer the disruption, the greater the job loss will be.

The job losses were immediate and companies faced liquidity issues, especially since the shock was immediate. Most of these job losses were hourly wage earners and it impacted all five industries that make up the sector, with the food and beverage and accommodation sectors being most impacted. With the recent announcement on wage subsidies and the ongoing adjustments to CERB, we can expect that there will be some job recovery, but employers tell us that lag and uncertainty about recovery time means that employers are also encouraging workers to seek the benefit while they try to stabilize.

Now we need to get businesses focused on workforce recovery initiatives, which is hard to do while they're still grappling with liquidity, but this will be a growing concern. Recovery is dependent on the ability of companies to quickly gear up and adjust to the new reality. It's about skills, first and foremost ones that help employers retool and train to focus on the Canadian domestic market, on how to rebuild financial reserves, on how to develop new business models and low overhead and increased margins, on staff that are more versatile and so on.

The bottom line...? Investment and training in retention programs is essential. When you look at research done on other recovery models, bar none, investment in training at this stage of these pandemic-type issues resulted in the highest return on investment when it came to recovery. It's a new business environment and one that requires improved resilience to fare future disruptions. People need to be retrained or upskilled to be prepared.

The wage subsidy program that was announced and the changes that were made to it over time, the flexibility, has made a huge difference. There's no question. People are much appreciative of what the government has done. Speaking strictly from a workforce or labour perspective, I just want to encourage the Government of Canada to act soon on funding to support training and to help businesses retool so that they can successfully recover.

• (1640)

The pre-election budget last year mentioned \$1.7 billion over five years to create a tax credit and pay for dedicated time off for workers to take skills training. Perhaps this is worth revisiting.

As a final note, due to the economic impact on people's discretionary spending, the Conference Board, in a project with us, indicates that it does not expect spending on recreation or culture to return to normal until 2021, and that consumer spending on accommodation, food and services will not return until December 2021 or early 2022. All of this suggests that there will be a volatile and unstable labour market for well over a year, and it's time for us to also think about the employee side of this equation.

Thank you.

**The Chair:** Thank you very much, Philip.

The lost, on my part, has been found.

Charlotte Bell with the Tourism Industry Association of Canada, you're up next.

**Ms. Charlotte Bell:** Thanks so much.

First and foremost, thank you for the extraordinary speed with which government has put measures in place to address this crisis. Our thanks extend to the many women and men within government at all levels working towards solutions.

Parliament was never designed to deal with an all-encompassing crisis of this magnitude, but only Parliament can take the bold steps needed to address the situation.

TIAC represents the entire sector of the travel economy. We support our industry in its entirety, those who are on this panel and those who are not.

The travel economy is the proverbial canary in the coal mine. We were the first to experience extreme, severe and immediate impacts. The situation is dire. Many businesses are closed. Many will never reopen. SMEs and seasonal businesses, including indigenous tourism and outfitters, have not yet opened for the high season and will likely lose their entire year's revenues. Festivals, sporting events, conferences and other venues where people gather are cancelled. Countless attractions people flock to year after year are closed. Second-language international students won't be coming.

We're calling on government to take bold measures to provide sector-specific relief to those hit hardest. Other countries have stepped up to support their travel economies. This industry is an economic driver for communities across the country that depend on it for jobs and economic growth. Without it, the impact on local economies will be disastrous.

The timing of this pandemic is all the more catastrophic for our sector. Unlike other businesses, tourism garners the bulk of its revenues during the high season between May and September. We need the right relief measures immediately accessible so that businesses can stay afloat.

We appreciate the programs announced so far—we asked for most of them—but there are significant gaps in the eligibility criteria and design. It's a work in progress, so I'm going to focus on three.

The wage subsidy is a great idea but it is not designed, necessarily, to address our industry's needs. Most businesses cannot access it. They've laid off a lot of their staff. You cannot show 30% or even 15% revenue loss in March and April when you open only in May. Some likely won't open until much later, if at all. If businesses are already closed, this measure won't help. Many businesses are owner-operated. If they can't get support, they won't be able to hire staff in the first place because they'll be out of business. Right now owners don't qualify for that particular initiative.

The Canada emergency business account, the \$40,000 loan program, is also not accessible to many tourism operators, as many small rural and seasonal businesses don't meet the minimum \$50,000 payroll criterion. The business credit availability program is designed to provide an operating line of credit as a one-year term loan of up to \$5 million. Again, for many tourism businesses that depend on the summer for their entire annual revenues, this is just one more debt they can't possibly repay within a year's time.

One thing the industry needs is liquidity to meet expenses so businesses can reopen when this crisis is over. For many operators,

that may mean next year, after losing their entire year's revenue. This is why we ask that you consider some fine-tuning under the small and medium-sized enterprise loan and guarantee program that would address the industry's top concern, which is liquidity.

We believe these changes would help solve the current problems tourism businesses face when trying to access the BCAP. With full government backing for loans of up to \$6.25 million processed through chartered banks and credit unions rather than BDC, you could establish a forgivable portion of these loans for amounts paid for fixed costs—like wages, rent, mortgage, insurance, utilities—for a period until revenue reaches normal monthly activity.

A number of other countries have put specific tourism packages in place, recognizing the contributions the sector makes to overall economies and jobs, as well as understanding that many businesses garner most, if not all, of their revenues over a short period of time. Other countries have turned their attention to recovery, also, specifically designed to support tourism. We urge the federal government to find solutions that will address the particular needs of this sector. We must develop a robust recovery plan very soon so we can bounce back when the crisis is over.

Tourism has been an economic driver and job creator for this country, with one in 10 jobs from this sector and contributions to the Canadian economy of \$102 billion. When this is over, we'll be competing with countries that are ahead of us in terms of relief programs and recovery planning.

● (1645)

We need to be ready to go, because tourism can and will contribute significantly to the recovery of the Canadian economy when this is over.

Thank you very much.

**The Chair:** Thank you very much, Charlotte.

Before I turn to Unite Here Canada, I just want to give you a heads-up that when we start the round of questioning, Blake Richards will be first.



I hope you're on the line, Blake. You're on my question list here. Then we have Sean Fraser, Mr. Ste-Marie and Mr. Julian.

We now turn to Ms. Travis with Unite Here Canada. The floor is yours.

**Ms. Michelle Travis (Research Director, UNITE HERE Canada):** Thank you. Good afternoon.

My name is Michelle Travis and I am a representative of Unite Here, a union that represents over 18,000 hospitality workers across Canada. I want to thank the finance committee for giving me the opportunity to address you today.

Our members are the backbone of the hospitality industry. They welcome and serve guests in hotels in diverse communities across Canada. They prepare and deliver food to airlines like Air Canada and WestJet, and they serve you a cup of coffee at airports like the Ottawa, Vancouver, Victoria and Regina international airports. They serve students in university cafeterias and take care of workers at Canada's remote camps.

Hospitality workers are reeling from the economic toll of the pandemic. They are among the first and worst hit by layoffs and closures. Over 90% of our members have been laid off across the industry. They live paycheque to paycheque. I can't emphasize enough how catastrophic the economic impact is for workers in this industry. The road to recovery for hospitality workers is expected to be a long one, perhaps extending beyond the next 12 months. With this in mind, I want to focus attention on how the federal government can better ensure that hospitality workers survive this difficult period and are positioned on the path to economic recovery.

We want to applaud the federal government and all political parties for taking steps to grapple with this tremendous crisis by creating the CERB and by recognizing the need to increase the employer wage subsidy from 10% to 75%. These are positive steps, but we think the federal government has to take more steps. If we are to avert long-term depression-level unemployment for hospitality workers, we need the government to put workers first, not only through the wage subsidy program but also when considering any industry bailout packages.

- (1650)

First, regarding the wage subsidies, we view the announcement today by Air Canada as positive news, provided that they do rehire the thousands of workers who have been laid off. Our chief concern with this program is that it's unclear what, if any, guarantees or requirements are in place to ensure that participating employers retain their workforces. As you've heard before, hotels, airline caterers, airport concessions and other employers have closed or laid off most of their staff since mid-March. We want to know what assurances there are that they'll be reinstated under this program. We think the wage subsidy program will only be successful if workers remain attached to their jobs, even if they aren't able to work at the moment.

Second, the industry sectors that our members work in are looking to Ottawa for additional relief in the form of subsidies, loans, tax and rent relief, and other forms of bailout assistance. Here, too, we urge the federal government to put workers first and to link any assistance with stipulations that workers are brought back onto the

payroll—that they are rehired, if they were laid off due to COVID-19—and that their medical benefits are maintained in exchange for relief.

We know this can be done. Take a look at the United States. In exchange for access to billions of dollars' worth of emergency grants, airlines, airline contractors and airline caterers must agree there will be no involuntary layoffs through September 30, 2020, and companies will also agree to pay wages, salaries and other benefits during that period.

We want the government to consider how industry sector bailouts will include contracted workers, whose fates are intertwined with the sectors they support. That includes airline contractors like airline caterers who serve Air Canada and WestJet. It includes contracted concession workers and other contracted workers at Canada's airport authorities that just received rent relief valued at \$331 million.

In addition, as the federal government is exploring ways to target relief to the hard-hit hospitality sector, we want the government to figure out how we can encourage companies to address the layoffs that we have seen so far. It's critical that there is a path forward to link employer commitments to recall workers. Without that, workers will have to rely on CERB and eventually EI in order to survive. Workers are going to need real wage replacement in order to be able to get through this period.

That brings us to some concerns we have about CERB and EI.

CERB amounts to less than provincial minimum wage for a full-time hotel or hospitality worker in a lot of our provinces. The average room attendant, working in very expensive cities like Vancouver or Toronto, was making \$20 or more an hour. Under the CERB, she's going to be bringing in a little more than she would have under the EI program. Workers have not budgeted for this abrupt loss of income, and it's going to be very challenging in the months ahead.

As we all know, EI wasn't built for this kind of crisis. Unless there is some sort of commitment in the wage subsidy plan to recall laid-off workers, we expect many hospitality workers will eventually have to move to EI in four months. We are concerned that the 55% of income will not be enough for them to get through this period. We want to encourage the government to consider how we can find some sort of wage replacement that would replace 80% or more of their income to get through this extraordinary period. These are not normal times. Workers are expected to stay at home, there are not other jobs to search for, and workers need additional income supports that will keep them as close to pre-crisis levels as possible.

To contain a public health crisis, our government has taken steps to shut down parts of the economy. We think this has been a prudent decision and has saved lives. We are seeing signs that we may be flattening the curve in parts of the country because of government action, but we want government to be just as aggressive in supporting workers, the employers they work for and our economy to avoid an economic spiral into depression.

In order for the billions in wage subsidies and industry bailout packages to be effective, there must be concrete commitments to keep workers employed. Failing that, CERB, and later EI, will not be enough. We are urging the federal government to explore how to help hospitality workers and others stay afloat at a time when they are being asked to stay at home.

Unite Here wants to work with the federal government, our industries and our employers during this difficult time. We are a stakeholder in this challenge and want to be part of any discussion involving relief affecting workers across hospitality sectors. We all want to get through to the other side of this pandemic. In the future, I think the question we don't want to be asking is why the federal government didn't do more during this once-in-a-generation crisis.

Thank you.

• (1655)

**The Chair:** Thank you very much, Michelle, and thank you all.

According to my clock, we have time to go through two full rounds of questions with six minutes in the first round.

We'll start with Blake Richards, and then go to Mr. Fraser.

**Mr. Blake Richards (Banff—Airdrie, CPC):** Thank you, Mr. Chair.

I want to start by thanking all the witnesses, who have done a great job of representing the various concerns that I've heard from so many in the industry. I thank you all for your presentations.

I'm going to ask two questions. The first will be a retrospective question. The second will be looking forward beyond the crisis at what we can do to help encourage the industry to have its full recovery.

Just before I do that, there's some context. Obviously, we've heard very well from many of the people on the panel today about the fact that this is an industry that has been among the hardest hit. It was one of the first hit, and it is going to have one of the most difficult recoveries. I think that's why it has been such a struggle to

understand why there has been so little attention paid to the industry. This is a Canada-wide industry. It affects every community, and in some communities tourism is the entire economy. One of those, which is a good example of why this is something we need to be paying more attention to, is a community in my riding of Banff, for example, where essentially before this crisis there was zero unemployment. Now the unemployment is estimated at about 85%. That is the kind of hit this industry has taken.

Many of the businesses are small and medium-sized businesses, and what I'm hearing from the business owners is that the programs that have been put in place aren't going to help them. They're being left out of being able to access many of the programs, like the loan program, for example, and the wage subsidy because of the length of time it's taking. It was put very well by one of the business owners in Banff who came to me saying that, ironically, that program, which is designed to help the employees, is going to actually take so long to come into effect that his business may not be in existence anymore and, therefore, his employees will have nowhere to go back to work when this is all done.

My first question is this. Is the government's response currently adequate to help these operators be able to sustain themselves through this crisis and still see their business exist when this ends?

Second, when we reach the other side of this crisis, what measures will the government need to have put in place to help kick-start the tourism industry once again?

I wish there was time for everybody, but I'll ask three of you—TIAC, the Hotel Association of Canada, and the Indigenous Tourism Association of Canada—if you could respond to those two questions, please.

**Ms. Charlotte Bell:** Thank you, Blake. Thanks for the questions and the comments and the support for tourism.

As I said at the outset, I don't think Parliament was designed to deal with this type of situation. I think the government has done a tremendous job putting programs in place. In fact, as I mentioned earlier, we asked for every single one of the measures that have been put in place, but the other thing I always say is that the devil is always in the details. When you start sifting through, there are always unintended consequences when you design something quickly and try to put it into place.

What we're here doing and what we've been advocating to government is to say thank you for what you've done so far, but there are some deficiencies in these programs and we need to fine-tune them to make sure they address the issues that are specific to tourism. I've talked about them. So did Cathie Bolstad.

I think the most important thing we need is liquidity. We are hearing that from everyone. The CERB has been one of those initiatives that were put in place very quickly and very efficiently, and that seem to be working as they've launched this service. I think what we need to do with liquidity measures is also to figure out a program that's going to be simple to use, that people can actually access quickly and that will get money into people's pockets, because that's what we need to do urgently.

• (1700)

**The Chair:** Thank you, Charlotte.

Susie from the Hotel Association of Canada, do you want to respond?

**Ms. Susie Grynol:** Yes, thank you.

With regard to the government's response, we are in a pandemic. These are unprecedented times and certainly uncharted waters for both government and industry. I think our government has done a very good job of communicating to the general public how it is managing the situation. Some very strong measures have put in place to date, but to echo Charlotte's point, I think there does need to be some fine tuning.

Blake, your comment resonates with me, when you ask whether the sector is being forgotten. I don't think it's being forgotten, but I would certainly like to see it get greater priority, recognizing all of the comments that the witnesses have put forward. Certainly, this has been the hardest-hit industry. We're going to take the longest time to recover; you're absolutely right about that. Liquidity is king here. At the heart of all of it, we have to make sure that these businesses survive. I would really like to see the government put some priority around who can access this funding. It just makes sense that we don't have a mad rush of all industries that have been impacted, but that there be some acknowledgement that some industries have been harder hit and that we allow them to access funding that's been made available. That's just logical in my mind.

Secondly, in terms of a carve-out or sort of special attention, we did see in the U.S. that there was a specific carve-out for the food service and hospitality industry, where each property could apply for the small business and medium business loans that were put in place. If we don't get that definition right, then we are going to see even our medium and larger players potentially go out of business or not be in a position to hire back our workers, which is at the heart of what our businesses want to achieve. We want to be able to bring our workers back as quickly as possible. They're the face of our industry. There's been a best practice, and we'd really like to see the government put some specificity around who can access those loans and make food service and hospitality a priority, as they did in the U.S.

As we look ahead to stimulus, you're absolutely right, we need to have a strong stimulus package. By then, we will be able to see what other countries have done, and what they've done effectively,

and learn from those lessons. There are some lessons also to learn from SARS, but there has to be a package for the sector so that we can recover.

**The Chair:** Keith Henry, can you weigh in?

**Mr. Keith Henry:** I appreciate the work of the government; however, our strong assessment is that the current measures will not help indigenous tourism businesses. Of our 1,900 businesses, most of which are completely shut down now, many won't reopen.

It is a liquidity issue, as many are saying. Our challenge is with raising and borrowing money on reserve for about 30% of those 1,900 businesses. We can't borrow money on reserve traditionally, through the banks. There are other realities to borrowing money on reserve, and that's a big challenge for that business sector of our economy. That speaks to the recommendations we made around the importance of flexible funding through the aboriginal financial institutions. We need to get on with that as quickly as possible. While the measures are appreciated, and some off-reserve businesses will access them, they will be very modest. We expect a lot more major challenges for sustainability.

As for the future, the government announcements and a lot of marketing organizations are talking about recovery and how to bring customers back. We know that tourism in Canada is a strong industry, and we know that indigenous tourism has a lot of great experiences, but the fact is, if we don't find short-term cash injections like we've done with the \$25,000 grants and then find more stimulus long-term financing options that are indigenized and indigenous-specific, it'll take us 10 years plus to rebuild to where we are today. It's going to be a big challenge for us going forward.

• (1705)

**The Chair:** Thank you.

We'll go to Sean Fraser and then Mr. Ste-Marie.

Sean.

**Mr. Sean Fraser (Central Nova, Lib.):** Excellent. Thank you so much to everyone who has joined us today and for your testimony. It's clear that there is going to be a serious and unprecedented impact on the tourism sector as a result of this pandemic.

Thank you, as well, for your kind acknowledgement of the work that's been advanced from, frankly, all parties and by the government. I must say that a large part of it is owing to the public servants, who've been working so diligently over the past number of weeks to get this in order.

I also appreciate the feedback you've sent. I think I've heard the word "liquidity" more in the past hour and a half of my life than in the rest of it combined, so message heard.

I have two questions I'd like to explore. The first is for our guest from the Northwest Territories, Ms. Bolstad. You mentioned in particular—I think it was alluded to by one of our guests from Quebec as well—that one issue you would like to see rectified is the application of the wage subsidy to seasonal workers. I think the issue you've described is essentially the mismatch between the time of year when seasonal businesses have a heavy labour demand and the time of year when they may be able to demonstrate a decrease in revenue. Do I understand you correctly that, because the revenue loss may not be showing itself until a later time, seasonal employers won't be able to access the wage subsidy right now, for example, when they have people preparing for the tourism season?

**Ms. Cathie Bolstad:** Thank you, Mr. Fraser, for your question.

What I was speaking about, for the Northwest Territories in particular, is that a wage subsidy for those who got hit during the auroora season is too late, and that's just the way things landed. I don't think anyone could have predicted when it was going to land. In much of our hotel industry and our larger tour operators, those layoffs were immediate, so a wage subsidy doesn't help and they don't have employees.

As we head into summer—and I think I speak for those who are all-summer operators—your very short window is your wage period, but it's not the time, with the flexibility in that program, to help them with wage subsidies. The time to wait for that is too long. Quite frankly, in front of us it doesn't help them, because everybody's cancelling. They don't have any customers, so they can't hire anyone anyway. Some of them have lost their deposits. It's really created a cash flow issue.

It's a chicken-and-egg syndrome: We don't know when things are going to open up, but the people who were travelling are cancelling. The summer season is lost. That is the season for these small operators, probably across the country, not just in the Northwest Territories. It is their revenue for the entire year. By the time you actually look at it, they'll have no revenue to subsidize.

**Mr. Sean Fraser:** Is the solution really to get the liquidity tomorrow, that kind of thing? Is that your best recommendation to solve that problem?

**Ms. Cathie Bolstad:** I think it's immediate liquidity. Many of those operators are working on very short seasons to get their operations ready, but they have no revenue now because of the cancellations. Being able to maintain their rent, maintain their property, pay their taxes, all those things are critical for them. In many cases....

I think Keith Henry alluded to it, and I think we heard it in Quebec. For a lot of the small communities, in particular in the Northwest Territories, indigenous tourism is what we have. These are small operators who are making income, mom-and-pop shops. They need flexibility and criteria so that the help that comes for them not only offsets their costs but pays them a wage so they can afford to live while they're there, until their revenue comes back down the road.

• (1710)

**Mr. Sean Fraser:** Thank you.

My next question is for Ms. Bell from the Tourism Industry Association of Canada. Thank you for being with us.

We've heard quite a bit of feedback on the programs that have been introduced recently. We've heard a little bit of feedback on what a potential recovery in the tourism sector could look like. From your testimony today, and from a lot of the conversations I've had at home, it sounds like a lot of tourism operators realize that this year, for the most part, will be a significant loss, but they aren't giving up on the long-term viability of their operations.

We've heard recommendations today around skills training programming, maintaining the attachment to existing jobs and, from our guests from the Hotel Association, an incentive to recommence with business meetings. I'm curious if the Tourism Industry Association has specific feedback on what steps we can be taking now to best set up the tourism sector for a strong and expeditious recovery.

**Ms. Charlotte Bell:** I think all of the measures that have already been mentioned are important, but we are in a very competitive industry. Right now the entire world is shut down, but the reality is that we are going to come back at some point and we're going to be competing with other countries that, I think, have given a lot of thought to this.

TIAC has put a committee of leaders together to start putting their heads around what we are going to need coming out of this and how we are going to be successful in doing that. You can see from initiatives that have been taken in Japan, the U.S., Germany and in Taiwan, they're already announcing major packages, 10-point plans, to deal with the return of tourism. I think we're going to be behind the eight ball if we are not in a position to rebound quickly or as quickly as we possibly can.

One of the most important things right now is that—and you're going to hear it again, I'm sorry—we need the liquidity measures to work, to be put in place and to be done immediately so that businesses can stay in business. Most tourism businesses are shut down right now, as you know. I think Susie would tell you that the only hotels that are open are open for humanitarian reasons and they're basically doing a public service. The situation is very dire. The first thing we need to do is to make sure that those businesses stay in business because there will be no recovery if everybody's gone out of business.

For the small and seasonal businesses, if you look at the Maritimes, where you're from, I think you would agree that probably over 80% of tourism businesses are seasonal. Those businesses are the ones that.... In fact, I raised the issue with the wage subsidy that, for these seasonal businesses that don't open until May, there's no point in having a subsidy where you're measuring your losses based on March and April if you weren't even open. The first thing we need to do is to get the relief package right so that the industry can survive, and we need to quickly turn our attention to recovery.

I think there are a number of things that we can do and that we can see other countries have done. For instance, in Japan, they're suggesting that they would subsidize accommodations up to \$260 a night. They would provide credits and other incentives for people to go to restaurants and visit local venues, and buy from local merchants, those sorts of things. They've already started putting their heads around this and they've already committed a trillion yen in their aid package, which I think is worth about \$13 billion Canadian.

We need to get our relief right in the first place and do that very quickly to make sure the industry's still there, and then we have to turn our attention very quickly to the recovery.

**Mr. Sean Fraser:** Excellent. Thank you very much.

I assume that's my time, Mr. Chair.

**The Chair:** Yes, you and Blake were both over.

We'll turn to Mr. Ste-Marie, and then to Mr. Julian.

• (1715)

[Translation]

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

I first want to thank all the witnesses for their presentations. This issue reminds us how much the tourism and hospitality industries play an important role in and form a major part of our economy. These industries are being hit hard by the COVID-19 crisis. It will take a long time for them to get back on their feet. As a result, the industry players need support measures for as long as it takes.

Mr. Hamel, I liked your suggestion to keep the measures in place for 12 months or until sales return to 85% of the normal figures. I also liked your suggestion to cancel fees rather than defer them. I'll try to come back to that point later.

My first question is about the importance of festivals to our economy. Charlotte Bell can also respond if she wishes to do so.

I spoke with Martin Roy from the Regroupement des événements majeurs internationaux, or REMI. He pointed out that, in the festival industry, a great deal of funding is advanced throughout the year to organize an event that takes place over a short period.

He raised three points. First, he spoke of the importance of maintaining government subsidies since a number of expenses have already been incurred. Other measures must also be implemented to support the industry. According to the eligibility criteria for the Canada emergency wage subsidy, if a business basically earns its revenue for one week of the year, at the beginning of summer, for example, the business doesn't qualify for the subsidy. It fails to meet the criterion regarding a 15% to 30% drop in revenue between February and March or between March and March. Lastly, he talked about the importance of creating a recovery program for when the health crisis is over.

Mr. Hamel and Ms. Bell, how do you feel about these proposals?

Can you comment and add details?

**Mr. Yan Hamel:** Thank you, Mr. Ste-Marie, for your very relevant question.

It should be noted that, in Canada, we've had the good fortune of living in a very inclusive society. Foreign tourists had a great deal of fun and came to Canada in large numbers for many reasons. These reasons include the fact that our country is known to be safe, welcoming and also very festive because of our many festivals and events.

The current crisis is affecting and will certainly affect festivals in a major way. Many festivalgoers come from foreign countries or other Canadian provinces. We're told that the crisis will affect the behaviour of travellers, particularly with respect to large gatherings. We need Health Canada to look at this rather exceptional aspect of our industry, the issue of gatherings. We understand that the measures regarding physical distancing and gatherings will be among the last to remain in place. This issue will either make or break the economic recovery of our tourism industry.

We need measures to support festivals and events that can't take place this summer. We need to maintain the subsidies provided by the different levels of government. We must also make these sectors eligible for the 75% wage subsidy.

As I said at the start, we're asking the government for more flexibility regarding the eligibility criteria for this subsidy, which is vital to our industry. The seasonal factor and the Canada Revenue Agency's definition of revenue in relation to passes, bookings and so on, must be taken into account.

We'll need special support. As I said, Health Canada must work with the industry and show understanding with regard to the measures implemented so that the industry can get back on its feet as quickly as possible.

• (1720)

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

Ms. Bell, do you want to add anything?

[English]

**The Chair:** Gabriel, just before you start, somebody has a microphone open. We can hear background.

I would ask the people who aren't on to speak, to please close their microphones.

Go ahead, Mr. Ste-Marie.

[Translation]

**Mr. Gabriel Ste-Marie:** I was asking Ms. Bell whether she wanted to add anything.

**Ms. Charlotte Bell:** Thank you.

I was just going to say that I completely agree with everything that Mr. Hamel told you, because I'm seeing the same thing.

Festivals are facing the same issue as seasonal small businesses. If a festival was planned for July or August, or even for the fall, the organizers can't show a drop in revenue compared to March and April. The businesses must continue their operations for the rest of the year.

In my opinion, this situation is really the same as the seasonal tourism businesses' situation. I completely agree that the businesses must have access to all the programs.

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

[English]

**The Chair:** Thank you.

Next is Mr. Julian.

**Mr. Peter Julian:** Thank you, Mr. Chair.

Thank you to all our witnesses who have come forward today. You have an extraordinarily important role in the Canadian economy, so we appreciate your criticisms, your compliments and suggestions about how to move forward right now during the crisis, but also coming out of the crisis.

My first questions will be for Ms. Travis.

Thank you very much for being here, Ms. Travis. I have three questions I want to ask, given the importance of Unite Here among hospitality workers across the country.

My first question is regarding the issue that you raised around financial relief. You quite properly pointed out that in the United States, companies that get the financial relief have conditions. They can't pay dividends. They can't do stock buybacks or executive bonuses. They can't source offshore jobs. All of those conditions are fundamentally important to ensure that coming out of the crisis the money is used properly, really putting workers first, as you so eloquently said.

How important is it to have those conditions as well for the financial relief that will be going to some key industry sectors in the coming days and weeks?

You mentioned the Canada emergency response benefit and the fact that it doesn't cover wage replacement. There's also an increasing concern that many people can't access it at all.

Do you believe it would be easier just to provide the emergency benefit to everybody like other countries are doing as a first step to providing the supports?

My final question is around what many people are talking about, a courage bonus for front-line workers, including your members, who are working on the front line making sure that Canadians get the food and supplies, and get the support in the health care system. There should be a courage bonus paid to those workers to ensure they're getting the supports they need for the sacrifices they're making on behalf of the country as we fight the coronavirus.

Do you believe that would be something the government should be considering so that we can support those front-line workers fully?

Those are my three questions to start.

Thank you.

**The Chair:** Ms. Travis.

**Ms. Michelle Travis:** To take the first question regarding financial relief and putting conditions on that, we do think that's important. In the States, it will be critical to ensuring a path for workers to continue to stay attached to their jobs and it can help toward a path to recovery. We've seen comments from this government with the same goal of the wage subsidy program, that it is offering this program to ensure that workers remain attached to their jobs because it understands how important it is that we are able to, more quickly, return to a recovery down the road.

With regard to the types of conditions that are attached, there may be some differences depending on the sector, but we do think that at a minimum there has to be some commitment to ensuring that workers are brought back if they've been laid off and some details about how that's going to work. We're also seeing workers lose their medical coverage at a time when we're in the middle of a global pandemic. Workers need access to their prescriptions when we're in the middle of a health crisis. Is the government going to make sure workers are able to continue to access that kind of coverage when they need it?

In terms of your second question regarding the CERB, yes, we recognize there are a lot of folks who have fallen through the cracks and need to have access to an income supplement. That \$2,000 a month is going to be critical for folks who wouldn't otherwise apply. We know there's been some talk about extending it to folks who work less than 10 hours a week. There are other folks who wouldn't be eligible for whatever reason. Yes, we do think that they need to be able to access some benefit, and we really should be opening it up to a broader swath of workers.

I think it's remarkable, and I hate to say it, but the U.S. is actually offering more money to workers than Canada and that's surprising to me. For a number of reasons [*Technical difficulty—Editor*], but I think that every household, every individual under \$75,000 in salary will be getting a \$1,200 cheque. That's regardless of whether they've lost their jobs. Then there are going to be folks who are getting employment insurance. There's an additional \$600 top-up that's going to be in place for the next, I think, 13 weeks. That's going to help a lot of low-wage workers or hourly wage workers get through the next few months.

For the hospitality industry in particular, as folks have mentioned before, it is going to be a long recovery. We have to have a sector-specific solution to deal with the challenges that the industry is facing for workers and their employers. We want to work together to try to figure out what makes sense for that sector.

In terms of the courage bonus, yes, you're right. Our members who are continuing to work in hotels are housing and feeding guests who are medical professionals or quarantined travellers. I have to tell you this: Workers have been terrified to work at some of these places because they're concerned about the health and safety risks. We're spending time trying to work very closely with the governments that are commandeering the hotels and the health officials to make sure those are safe places to work. In order to attract workers to work in hotels at this point in time, it would help to have a courage bonus but also to put in place very strict health and safety guidelines so that folks feel comfortable working there, because they are very scared about picking up the virus and bringing it back home, as anybody would expect right now.

• (1725)

**The Chair:** Thank you, all. We'll end that round there.

Turning to the five-minute round, we'll start with Mr. Baldinelli.

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

Let me begin by thanking all of the witnesses for appearing and presenting their views on what is, for me, such a hugely important sector of the economy.

I am fortunate enough to have been born and raised in Niagara Falls, so I know the importance of the tourism community. In fact, my community itself is the number one leisure tourism destination in Canada. We employ over 35,000 people and we have 16,000 hotel rooms in our community. We probably get about 14 million people who visit here annually, and that generates over \$2 billion in receipts.

Almost immediately that has disappeared. We need to work together to ensure that we put together some programs that can be of assistance not only immediately, but also to see us forward in the recovery.

My question first is for Ms. Grynol.

Susie, I was really interested in some of your comments, given the unique situation of our hotel sector. We're talking about thousands of hotel rooms and properties, many of which are owned by individual families, which is unique in a number of areas. They're not owned by corporate entities. Here in Niagara, we have every chain and franchise you could ask for, but they're owned by just a few families.

As the sector has grown, so have they. They have invested hundreds of millions of dollars in the community. They're heavily leveraged, so the notion of liquidity—that term is being used so often. I was interested in some of the comments that you mentioned about carve-outs and programs such as expedited loss and carry-back.

The notion in your March 23 letter to the government about the waiving of the GST/HST for the first quarter kind of builds on something that the Conservative Party has been talking about recently and my colleague mentioned the HST refund for the previous year.

I was wondering if you could expand on some of that and maybe touch on the example of Niagara as well.

• (1730)

**Ms. Susie Grynol:** On the first point, which is the carve-out that the U.S. has achieved, I think that just makes sense here in Canada because of the structure that you're referring to where you have a concentration of hotels that would be owned by one family, in the case of Niagara, or a couple of families. That situation is not unique to Niagara. It's really important that we allow funding to flow on a property-by-property basis. Those are, indeed, individual business units, even if there might just be one owner who owns a few of those properties. If they're not looked at as individual businesses, you have to spread the loan across all of those properties and you put all of them at risk, because there just wouldn't be enough funding to cover what would be needed. That recognition did take place in the U.S. and we firmly believe that it should happen here in Canada.

On the matter of the GST, I'm certainly familiar with what's been put forward by the Conservative government of Ontario in terms of sales tax over the last six months and refunding that. Certainly that is a lever that could be considered by the government, but it's effectively a loan that wouldn't have to be paid back.

Our idea here on the loss carry-back is that we would be getting these refunds anyway, so why don't we just allow businesses to bring forward the year-end? It could be done very expeditiously. An assessment could be produced almost overnight. CRA already knows what the financial status is of these companies, what their profitability was last year and reasonable estimates for where they could be for this year. Those funds are going to be coming to the company anyway, so why don't we just let that happen now? Expedite those funds so that we can get liquidity in the pockets of the people who need it most.

**The Chair:** Tony, we have time for a quick question.

**Mr. Tony Baldinelli:** Thank you.

My question is for our panellist from Unite Here.

One of the questions and concerns that we have here in the community, and it seems to be changing, revolves around the CERB benefit. Niagara has a lot of workers who are seasonal in nature. They are laid off in the winter, and right about now, they would be coming off their layoff notices.

When the government started putting together the CERB, during the emergency session they indicated to us that people who are coming off layoffs can apply for the CERB benefit. This past week we've found out that may not be the case. We are still trying to get clarification, and we are getting a number of calls from seasonal tourism workers who are worried that they might not be eligible for the CERB.

Have you heard anything else on that?

• (1735)

**Ms. Michelle Travis:** Folks are starting to apply this week. We're starting to hear from workers about what their experiences are or what they're being told. I'd say, for seasonal workers in particular, that's going to be a real concern because they're going to need some access to cash in order to get through this period. We think they have to be able to tap some sort of income supplement here, like the \$2,000 CERB, in order to get through this period.

**The Chair:** Okay, thank you.

We'll turn to Mr. Sorbara.

**Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.):** Thank you, Chair.

Good afternoon, everyone. Please everyone stay safe. The safer we are, the quicker we'll get through this and then hopefully the quicker we can get back to normality and start attracting visitors to come back to Canada, because we know 2019 was a record year for us.

I want to give two quick shout-outs, first of all to the Northwest Territories tourism association. As a finance committee member in the prior session of Parliament, we had a chance to visit the Northwest Territories. I believe we went up to Yellowknife for a set of hearings during finance committee travels. It was the first time I had been up north and it was absolutely stunning to see. The hotel was full of tourists and we need those folks back. Secondly, thank you to everybody who's on the call and putting forward their ideas. We are at a very unique time.

I agree with a lot of the good ideas being put out today. I agree that, in terms of the duration of the recovery of the tourism and hospitality sector, whether you're talking about your local banquet hall or your local hotel or tourism operator, they're going to need help and we need to be there for you, so please continue putting forward those ideas.

I want to ask, starting with the Tourism Industry Association of Canada, about the longer term, how we compete against Japan, Europe or the United States, or California if I go into the sub-regions, in terms of attracting people from overseas to come to Canada. We know that we want those high-quality, high-margin travellers. If we could think of three things that we need to do, not only short term but longer term, to get those numbers back up, what would be those three ideas that you would put forward?

**Ms. Charlotte Bell:** I believe that we're going to need some sort of recovery package with incentives like other countries are doing, incentives to attract people to visit Canada, so that if I have a choice between a variety of countries, I'm going to come here because I'm going to get a deal. Like I said, in other places governments are subsidizing room nights or they're subsidizing activities or attractions and helping make those things more affordable so that they are competitive. We also have to keep doing a very good job on an aggressive marketing campaign in order to get those people back.

Another thing that we've been advocating for, for a very long time, is visa access. Canada does not rank very high in terms of visa openness and if there was ever a time.... I think we're still 121 out of 140 countries. We don't rank very well. It is a little more dif-

ficult for people to get here. I think that at this time, when we're going to be competing with a number of other countries that are going to be thinking about all the ways they can attract visitors from everywhere else, we have to be looking at our access policies and make sure that we're doing—

**Mr. Francesco Sorbara:** Charlotte, if I can just jump in, there are two sectors in Canada that I'm worried about, obviously, the first being tourism and hospitality, and the second being the charitable sector. These two sectors employ literally millions of Canadians.

I think we've done some really good things. We've provided ground lease relief payments to the airports, which is \$330 million that, in fact, will be passed on to people flying, which will lower the cost of flying within Canada, which would be great. We need to work with Destination Canada in terms of providing funds to those marketing agencies to get folks here and some of the ideas that you brought forward.

I wanted to touch upon the Hotel Association of Canada in my remaining time—

• (1740)

**The Chair:** Make it quick.

**Mr. Francesco Sorbara:** Yes, absolutely.

How can we maintain the contact or the arrangement between the employer and employee at hotels across Canada? We know that there was a labour shortage before the pandemic hit, and we want to ensure, coming out of it, that the labour supply is there and that those very hard-working folks at the hotels are there after this pandemic is over and everyone gets back on their feet.

**Ms. Susie Grynol:** We share the same goal. The first issue I heard about from hotels when this crisis hit was, "We're so worried about our employees. We need to take care of them. We need to have them back." That was their biggest crisis. They're the backbone of our industry and that remains at the forefront.

The wage subsidy is a great program. It is absolutely going to help, and our members are going to use it. The only issue I would flag for members to consider at this point is that we want to bring them back today, but we know that it could take three to six weeks, and there's absolutely no cash flow. What do we do about the working capital between now and six weeks from now if we want to bring people back today? We know it's going to be backdated to March 15, but that's not the issue. The issue is being able to cover their pay, to Ms. Travis's point, during this interim period while they have bills to pay. Certainly we share the same goal, and we want those employees back.

**The Chair:** Okay. Thank you very much for that round.

We turn now to Mr. Cumming.

**Mr. James Cumming (Edmonton Centre, CPC):** Thank you, and thank you to all the witnesses.

There is no question that this is a sector that's been hit harder than probably any other.

I want to direct my questions to Ms. Grynol on a couple of things.



First, I want to correct something. The proposal we made regarding the GST refund was not a loan. The intent of that was to inject cash flow into companies, small and medium-sized businesses.

There has been very significant investment into the banks to create greater liquidity. Can you give us some idea of what kind of reaction you're getting from your members regarding negotiations with banks on deferrals or modifications on loans? Can you give us some sense of how that's been working?

**Ms. Susie Grynol:** It is a real mixed bag at this point. One of the challenges is that these programs are in their early days, their infancy, and so the banks are telling a lot of our members that we just need to sort of wait and see whether or not they will actually qualify. In addition to that, we're also hearing, unfortunately, that we're just not a priority sector, which is a real problem.

I would say the other issue is that we're also really risky. If I'm a bank, I'm not lending to the hotel industry or the tourism industry right now either, because when our revenue is down by 90%, we have virtually no cash coming in the door. We're not a good customer for the banks, and so one of our key recommendations was for the government to actually fully back any loan that would be provided to our sector to take out any of the risk factor that would cause the bank to be hesitant to provide a loan to us, to take out that hesitation altogether.

The other piece, again, is the priority access. The system is being just overrun, and we need to make sure that we get the money into the hands of the people who need it most. That's why we're recommending that the same criteria or something similar to what's being used in the wage subsidy program also be applied for access to liquidity. So we're not going to look at your account unless you've seen a 50% drop in revenue or something similar to that so that we can make sure we get the money into the hands of the right people. Even a few weeks or days is going to make all the difference in the world.

**Mr. James Cumming:** As we wend our way through this crisis, can you offer any comment on any incentives there might be to create behavioural change or to try to encourage investment in the industry? I think one for businesses might be to increase the deductibility of entertainment expenses to try to get money going back into those sectors. Can you comment on that?

• (1745)

**Ms. Susie Grynol:** Yes, I think there are a lot of different options we can look at to incentivize travel and stimulate, for lack of a better term, the sector in the recovery period. Certainly, there's providing credits against hotel rooms to make sure they're more affordable, and providing travel credits and other forms of incentives. There are a lot of ideas on the table that I think we probably need to work through, and we need to come back with some specific asks for this committee and the government to pursue. Really, our focus at this point has been just to keep these businesses open in the first place. We're actually not sure if there's going to be a recovery if they shut down.

**Mr. James Cumming:** Maybe I'll direct the same question toward Unite Here, on trying to encourage behaviours. You talked a lot about keeping people employed. Do you have any recommendations on how we can get the spend back after COVID-19, so these

businesses can actually start generating revenue to keep those people employed?

**Ms. Michelle Travis:** I think what Ms. Grynol put out is very interesting. We would like to learn more about what the industry is talking about and be a partner in that.

I don't have a particular recommendation on what the incentives should be, but as a stakeholder we do want to be a part of those discussions and to be helpful. We would like to work with the industry and partner up to figure out how we can get our industry moving again, because our members want to get back to work. The businesses want to be running again.

I don't have a solution, but we do want to work together to figure out what will work. We also want to look to other countries to see what's been effective or what are some creative ideas to get the industry moving again.

**The Chair:** Okay. Thank you.

Thank you, all, for that round.

Mr. McLeod.

**Mr. Michael McLeod:** Thank you, Mr. Chair.

My question is for Cathie Bolstad from NWT Tourism.

I heard your presentation. Thank you for that. It really paints a good picture of where we are at in the north. We were all proud to see the level of growth and tourism in the last while. It's very difficult to watch all this start to crash. We've always known we have huge potential in the north, and we were doing fairly well on the indigenous tourism side. That's another area that has a huge potential also.

What are some of the elements of the government's response, whether it's the CERB or the wage subsidy, that have been received well by the northern operators? Are there ways in which the response could be improved?

**Ms. Cathie Bolstad:** Michael, you make it tough. Nice to hear your voice.

I think the struggle for the north has been that.... You know, it is very receptive of seeing how fast...and how wonderful it is that the federal government has worked together to put out a variety of solutions, but where the struggle has come is in their size and availability and the fit to where they are and where their fit is. They're feeling like they are squeezing a round peg into a square hole.

It's difficult for me. It's one of the things I struggled with, to be frank, last week, after listening to our members for a week. It was really difficult because we're pointing them to programs and they're coming back and saying, "They don't work. They don't fit for us." You heard from Keith Henry, you heard from Charlotte Bell and you heard from the Hotel Association that liquidity, no matter whether you're small or big, is the immediate issue, and there isn't a program that's helping them with liquidity.

What I'm seeing is that, if we use our hotels as an example, even some of the help available in the Northwest Territories is not for owners unless they live in the Northwest Territories. There are even cracks between how federal and territorial programs are fitting together.

I think that, when Susie talked about some of the criteria and help that is needed, it's looking at where the most people are employed. Those kinds of criteria can help put people to the top of the pile in terms of the industry and where they need it.

As you know, in the Northwest Territories once you get outside of the capital city, most of our tourism operators are indigenous tour operators who are small, so they're really looking for immediate relief in programs that help them pay their bills in the absence of revenue. It's difficult for me to find a positive thing to say, because that doesn't exist for them right now and they're really struggling to survive.

I'm sorry to have to be the bearer of bad news, but that is what we're hearing here in this industry.

• (1750)

**Mr. Michael McLeod:** That's why we're having this discussion, so that we could hear from the industry and hear your recommendations.

Quickly, I also wanted to ask about the types of support that you would need to see from the government to support northern and indigenous tourism to recover once we're all through this pandemic.

**Ms. Cathie Bolstad:** I think that CanNor, the Canadian Northern Economic Development Agency, can play an incredible role. It has been a supporter of our organization in the marketing we've done for the Northwest Territories and for small business. I think it needs to create some flexible criteria around the funds that it makes available. It's very difficult for small businesses that don't have the cash flow to put up their percentage of what's needed from that funding criteria. Perhaps it could offer some relief. Perhaps there is a temporary period when CanNor could offer assistance to those small businesses, both to get them through the period now with liquidity and to help them reinvest when they have revenue flowing again. Some flexibility from CanNor in what kinds of programs it can offer could lead it to being the relief agent small businesses need here.

**The Chair:** Thank you all.

Surprisingly, in all the hearings we've had thus far, we haven't heard much about what the regional development agencies should or could do, CanNor being one.

We will turn to single questions.

Mr. Ste-Marie.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you, Mr. Chair. I agree that this government sector should make a contribution.

My question is for you, Mr. Hamel. As we know, the economic recovery of your industry will take longer. You were talking earlier about the possibility of extending the measures for the tourism in-

dustry. Can you address this issue again and elaborate on your proposal?

**Mr. Yan Hamel:** Thank you for your question.

All my participating colleagues were very clear about this issue. For our industry, this crisis will have a long-lasting impact. We need two forms of assistance. The first concerns our workforce, which provides the services. The second concerns cash flow. The assistance that we want is very simple, because it already exists. It's the Canada emergency wage subsidy.

As everyone has said, some eligibility criteria must be changed. We completely agree with this. Most importantly, this measure should last at least 12 months for the tourism industry, or until the loss of revenue is less than the 15% that has just been adjusted. This measure is the most important step towards supporting our workforce.

The second measure for the workforce is really the work-sharing program. The program must be better adapted to our tourism situation and must provide more flexibility. As a result, our staff could be more versatile and could perform a variety of tasks in the tourism industry.

I want to address another measure that everyone mentioned and that concerns cash flow. It's extremely important to avoid simply implementing loan, loan guarantee and deferral measures. The industry needs much more than this. The industry needs exemptions. It needs air. We'll need to breathe and we'll need cash flow over the next 12 years. We know that, in Canada, the peak season for tourism businesses is very important. Businesses that are unable to do well and to generate substantial revenue next summer will need exemptions to get through next winter and to create a tourism offering in the future.

These are the most important measures that we need.

• (1755)

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

[*English*]

**The Chair:** Thank you very much.

Mr. Julian.

[*Translation*]

**Mr. Peter Julian:** Thank you, Mr. Chair.

My question is also for you, Mr. Hamel. You did indeed say that the tourism industry was the first to enter and will be the last to emerge from the crisis. As you said, conventions and conferences will need more support. Businesses and organizations will also have less money to hold these conventions and conferences.

What would you suggest to ensure that, once the crisis is over, businesses can once again start organizing conventions and conferences, which are essential to the industry?

**Mr. Yan Hamel:** To answer your question, from our perspective, the development of the business market, a very lucrative market for Canada, will start with the domestic market. Businesses must be encouraged to use services. I'm thinking of the organization of events, among other things. There used to be a tax credit, and this measure must be implemented again. Businesses must be encouraged to start holding business meetings again and using accommodation services and meeting and dining rooms across Canada. To that end, the use of tourism industry services for business purposes should be made tax free through a tax credit. This will give businesses an incentive to use more services in this sector.

Now, in terms of clients outside Quebec and the very large conventions outside Quebec, as Charlotte Bell said, there must be very strong and consistent efforts when it comes to marketing outside Quebec, whether the clients are leisure travellers, individual travellers or business travellers. We'll need very strong support in this area. About \$100 million will be needed to help market Canada abroad for these various types of clients, including business clients.

[*English*]

**The Chair:** Thank you, all.

Mr. Poilievre and Mr. Fragiskatos, be as quick as you can be, please.

We must have lost Pierre.

Mr. Fragiskatos.

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

Thank you to the witnesses.

Ms. Bell, you mentioned Japan as an example that Canada can perhaps look to and seek to adopt here. I also know that the European Union is very seriously considering allocating very significant amounts of funding toward the advertising fund, which would go toward the tourism sector once we have overcome COVID-19 and the economic rebuilding begins, for lack of a better term.

Is this something that would help the sector? Obviously it would, but how much stock would you place in something like that? As I say, the EU is considering it very seriously and I just wonder if there is merit in Canada looking at it.

**Ms. Charlotte Bell:** Absolutely, marketing is going to be key. Because I went a little long in my response, I think I got cut off. In essence, absolutely, marketing is going to be key, and we are going to continue to work with Destination Canada. We haven't talked about it today, but we also still have to make sure that all of our destination marketing organizations are still alive and well and there to help us market all of the amazing communities across the country. They are absolutely key to the continuation and survival of tourism in this country.

Tourism is an ecosystem. We're going to need all of these players and all of the pieces to come together, eventually when we do come out of this, to work together very closely on a robust strategy. We're going to need Destination Canada and a number of players to come together to do that. Advertising and marketing are going to be critical to the recovery efforts. Other countries are already talking about investing quite significantly in those.

• (1800)

**The Chair:** We'll have to end it there.

I might mention that Destination Canada was invited. They couldn't make it today and they are sending in a submission, so that will be available on the public record at some point, hopefully next week.

With that, I will thank all the witnesses for putting together very detailed information on fairly short notice. Thank you for both your constructive criticism and your advice. We are in times that none of us have ever seen before, and making our way down this path to have a successful economy at the end of the day is extremely important to all of us as we get through this.

I also want to thank the technicians, clerks and analysts who are making this system work under fairly difficult circumstances.

We will meet again tomorrow. Committee members, we will meet at two o'clock on small and medium-sized business, and at four o'clock with the financial institutions.

The meeting is adjourned.





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