



DON DAVIES, M.P.

VANCOUVER KINGSWAY



March 19, 2020

Hon. William Morneau
Minister of Finance
Department of Finance Canada
90 Elgin Street
Ottawa, Ontario K1A 0G5

Dear Minister Morneau,

Re: Inclusion of cannabis sector in COVID-19 financial support measures

We are writing to you today as co-chairs of the Parliamentary Cannabis Caucus to request the inclusion of Canada's cannabis sector in the federal government's plan to address the economic impacts of the COVID-19 pandemic.

On March 13, 2020, Export Development Canada (EDC) and the Business Development Bank of Canada (BDC) announced a joint strategy to provide additional liquidity for businesses, pledging to increase loans typically issued on commercial terms by \$10 billion. Although the crown corporations have yet to detail how the new Business Credit Availability program will work, cannabis firms have been informed that they will not be eligible to participate. Dan Sutton, CEO of the B.C.-based cannabis producer Tantalus Labs, was told by a BDC senior account manager that "we do not do business with cannabis firms at this time."

Cannabis firms frequently face economic stigmatization despite serving a legal and strictly regulated market in Canada. As a result, their access to capital, including credit, is often problematic. We therefore request that the Government of Canada explicitly include cannabis firms in the terms and conditions that will be considered for COVID-19 economic relief programs. Whether through work with banks, federal economic development agencies, or EDC/BDC cannabis firms will require access to capital to remain viable.

We are also asking the Government of Canada to consider providing immediate relief to the cannabis sector through the temporary suspension of regulatory fees, along with the suspension and/or rebate of the federal taxes imposed on medical cannabis. Furthermore, Health Canada should provide cannabis firms and patients with clarity on how social distancing measures will impact mail orders of medical and adult use cannabis.

Canada's cannabis sector has contributed over \$8 billion to our country's gross domestic product since legalization and it employs over 9000 Canadian workers. However, it is vital to remember that cannabis firms are new businesses in a fledgling, complicated sector, and like other Canadian businesses, need support from the federal government to weather the economic impacts of COVID-19. Indeed, the success of the federal government's framework to legalize and strictly regulate cannabis relies on the long-term sustainability of the licit cannabis sector in Canada.

Thank you for your attention to this matter. We look forward to your response to this important issue.

Sincerely,



Don Davies, MP
Vancouver Kingsway
NDP Health Critic



Nathaniel Erskine-Smith, MP
Beaches-East York



Scott Reid, MP
Lanark—Frontenac—Kingston

Cc. Cannabis Council of Canada