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Chair: The Honourable Wayne Easter



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• (1410)

[English]

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

Welcome to meeting number 23 of the House of Commons Standing Committee on Finance. We're meeting pursuant to the order of reference of Tuesday, March 24, on the government's response to the COVID-19 pandemic.

Appearing before us today on behalf of the Minister of Finance is Sean Fraser, with the longest title in Parliament: Parliamentary Secretary to the Minister of Finance and to the Minister of Middle Class Prosperity and Associate Minister of Finance.

With Sean, after we hear from him for 45 minutes, are the witnesses from the Canada Revenue Agency: Ted Gallivan, assistant commissioner; Geoff Trueman, assistant commissioner; and Frank Vermaeten, assistant commissioner.

From the Department of Employment and Social Development, we have Alexis Conrad, assistant deputy minister. We have Cliff Groen, assistant deputy minister for Service Canada, and Andrew Brown, director general for employment insurance policy.

From the Department of Finance, we have officials Andrew Marsland—not a newcomer to this committee—senior assistant deputy minister; Evelyn Dancy, associate assistant deputy minister; Alison McDermott, associate assistant deputy minister; Suzy McDonald, associate assistant deputy minister, federal-provincial relations; Soren Halverson, associate assistant deputy minister, financial sector; and Nicolas Moreau, director general, funds management division.

We welcome and thank all the officials and Parliamentary Secretary Fraser for coming.

With that, we'll turn to you for some opening remarks, Mr. Fraser, and then go to the first round of questions for about 45 minutes. Following that, we'll turn to the officials on their own.

The floor is yours.

Mr. Sean Fraser (Parliamentary Secretary to the Minister of Finance and to the Minister of Middle Class Prosperity and Associate Minister of Finance): Thank you kindly, Mr. Chair, and thank you to my committee colleagues.

At the outset of this appearance I'll extend the regrets of Ministers Morneau and Fortier, who were unable to join us here today, so you'll have to put up with me, I'm afraid.

Before I begin my prepared remarks, I want to offer an acknowledgement of the tragedies my home province of Nova Scotia has recently undergone. We've seen an unprecedented mass murder of innocent residents of our province and citizens of our country in recent weeks, and overnight we learned of the downing of a helicopter taking part in a NATO training exercise that to date has claimed the life of at least one resident of my province serving in the armed forces. To those families who are grieving, please note that our thoughts are with you during this time of extraordinary difficulty. Though we may not be able to mourn together, we have never been more together in some ways.

With that, Mr. Chair, I'd like to begin by thanking my committee colleagues for all their work during these unprecedented times, and I'd like to thank you for the invitation to join you at committee today.

Our government has been working very quickly on developing and implementing policies and programs to support Canadians impacted by the ongoing COVID-19 pandemic. We've rapidly rolled out historic measures for both workers and businesses, for families and young people and seniors. We continue to fine-tune some of those measures to respond to the concerns and needs of Canadians that reveal themselves as the facts change on the ground.

Over the past number of weeks, we've announced a series of broad economy-wide supports as part of Canada's COVID-19 economic response plan. I'm very pleased to be here today to provide members of this committee with the government's third biweekly report on our COVID-19 economic response.

The COVID-19 pandemic has had a devastating impact on Canada's economy. Extraordinary measures are required to respond to these challenging times. That's why the government has put in place Canada's COVID-19 economic response plan. This plan is the largest and most rapidly deployed peacetime investment in the history of our country. To help stabilize the economy, our plan is providing \$146 billion in direct support to Canadian workers and businesses and more than \$85 billion to meet liquidity needs of Canadian businesses and households through tax and customs duty payment deferrals.

I can't stress enough how important these actions are for supporting Canadian households and businesses through this economic shock. The measures we've been able to roll out include the Canada emergency response benefit, which is currently supporting millions of Canadians who have had to stop working as a result of this pandemic. As of Monday, more than seven million Canadians have applied to the CERB. I want to commend in particular the members of our public service for their incredible work in processing applications and rapidly getting money into the hands of Canadians who have suffered an interruption to their income.

In addition, the CERB was extended to seasonal workers who have exhausted their regular EI benefits and are unable to find a job due to the market conditions that have been caused by COVID-19.

Last week we also unveiled our \$9-billion plan to specifically help students and recent graduates get through the next few months. Because of COVID-19, there aren't as many jobs available this summer for students as there appeared to be just a few short months ago. Without a job, it can be hard to pay for tuition as well as the day-to-day essentials. Therefore, we proposed the Canada emergency student benefit, which would give students \$1,250 a month from May to August, with even more support for students with dependents or those living with disabilities.

At the same time, we're creating and extending up to 116,000 jobs and other opportunities for young people in sectors that need an extra hand right now or that are on the front line of our pandemic. If students want to volunteer to help in the fight against the spread of COVID-19, they could be eligible for a grant through the new Canada student service grant of between \$1,000 and \$5,000.

To help protect jobs and help businesses that are significantly impacted by this crisis keep their workers, we introduced the Canada emergency wage subsidy. This subsidy provides a 75% wage subsidy, up to \$847 a week per employee, to employers who have been significantly impacted by this pandemic. Applications opened just this week, and on the very first day 44,000 applicants submitted applications.

We're also making sure that small businesses get the support they need. They are, after all, the heart of so many of our communities across Canada, and we're taking targeted action to make sure they can weather this crisis. The Canada emergency business account, CEBA, is providing small businesses with interest-free loans of up to \$40,000, with 25% of that amount being forgivable. This money is helping small businesses stay strong throughout this crisis. To date, almost half a million applications have been approved, totalling more than \$18 billion in support for Canada's small businesses.

- (1415)

We know that some small businesses have been significantly impacted. Some even had to temporarily close for public health reasons. Last week we announced the Canada emergency commercial rent assistance program to help the hardest-hit businesses in Canada with a 75% lower rent for small businesses that have been impacted by COVID-19. This program provides qualifying property owners with a 50% forgivable loan, in exchange for their providing a rent reduction of at least 75% to tenants who pay less than \$50,000 a

month in rent or who have been forced to close because of COVID-19 or had their revenues drop by at least 70%.

We've taken these actions because we know that supporting Canadian workers and Canadian businesses throughout this crisis means our economy is going to be well positioned to rebound quickly when the time is right.

We need to make sure that workers in all corners of the country are getting the support they need. Communities across Canada rely on businesses staying strong throughout this crisis. That's why we are investing \$675 million to give small and medium-sized businesses financing support through Canada's regional development agencies, like ACOA in my home region of Atlantic Canada. Nowhere is the need for small businesses to provide jobs, goods and services clearer than in rural communities like the ones that I represent, so we're also making investments in the community futures programs to help small businesses survive this period of difficulty.

We know that workers in our western provinces and Newfoundland have been suffering with the global shocks to oil prices as well. We introduced two new programs that will create jobs while making significant investments in keeping our environment clean: cleaning up orphaned wells and reducing carbon pollution.

We know that the cancellations of summer festivals and sporting events has left many of our artists without chances to perform and athletes without opportunities to play. This is why we have created the COVID-19 emergency support fund for cultural, heritage and support organizations. It will provide \$500 million to address the financial needs of organizations in these sectors so that they can continue to support artists and athletes.

In this unprecedented time, we will continue to carefully monitor all developments related to COVID-19. We are going to work hard to ensure that businesses get the support they need and that families can stay afloat. The measures that our government is putting in place are there to help as many Canadians as possible as quickly as possible. We all know that life during the pandemic continues to evolve. The immediate needs of Canadians are and will remain our priority.

Thank you for your time and for the work you are doing on behalf of all Canadians. These are difficult times, but we can and we will get through them together.

Thank you so much. I look forward to handling any questions you may have.

The Chair: Thank you, Mr. Fraser.

Mr. Poilievre, you have six minutes. Go ahead.

• (1420)

Hon. Pierre Poilievre (Carleton, CPC): Thank you, Mr. Parliamentary Secretary, for being with us today.

As you know, the Province of Quebec now has plans to begin re-opening its economy. Saskatchewan has similar plans. Other provinces are likely to follow. The challenge, though, is that as these provinces start to open their economies, the federal programs that your government has designed have trip lines in place that will close them back up.

Let me explain. For example, if someone on the emergency response benefit earns more than \$1,000, they lose their \$2,000 benefit, which amounts to an effective tax rate of 200%. There are similar trip lines for businesses that are getting rental assistance or wage subsidies, or students who are getting the emergency income support. All of these trip lines effectively ban Canadian workers and businesses from going back and earning money.

Has your government come up with any plans to address these trip lines, so that when Canadians are given the all clear to work, they are not punished financially for doing so?

Mr. Sean Fraser: Thank you for the question.

Through you, Mr. Chair, I respectfully disagree with one of the premises upon which this question has been based. I've had the opportunity, over the past number of weeks, to speak with hundreds or potentially thousands of Canadians. One of the overwhelming things that I've picked up is that by and large, Canadians are looking forward, more than anything, to working, to being productive members of our society. It would be an extraordinarily rare occurrence to find a Canadian who would rather stay at home and collect the benefit than return to work and enhance their own career and contribute to their community.

With respect to the CERB, we did learn early on that this program, which provides \$2,000 of direct income support, needed to be tweaked to protect the ability of those who have lost their primary source of income to continue to earn some money. With respect to the issue you raised around students, I note that students who qualify for this income support benefit also qualify for the Canada student service grant, which would enable them to earn up to \$5,000 toward their education should they volunteer.

We worked very carefully to design programs that help Canadians in their time of need and at the same time encourage them to continue to contribute to our communities.

Hon. Pierre Poilievre: With respect, no one is disputing that Canadians want to work or that businesses want to operate, but you can understand why some workers would be legitimately fearful of going back to work, triggering the end of their benefit, and then finding out that their employer goes bankrupt in these terrible times, or that the lockdown is reinstated, at which point they would have neither a benefit nor a wage. It would be logical for many people, many hard-working and honest people, to avoid going over that \$1,000 trip line in order to protect their own financial security. No one is suggesting that such a person would be wrong to do so.

Similarly, businesses receiving the rental subsidy have to ensure that they keep their revenues down at least 70%. For many of them, the subsidy will be worth more than their earnings. Many of them will face an impossible decision: If they get their business running up to, say, 50%, they lose their rental subsidy and they can't afford to pay their rent. These are unintended consequences, but you can understand how they put legitimate, hard-working people in an incredible dilemma.

Is your government open to suggestions to remove these trip lines so people can perform at their full potential without being penalized for it?

Mr. Sean Fraser: I understand the question. I still have some disagreement with the premise, as I outlined in my previous response. However, one of the things you will have noticed.... And I'd like to thank members of all parties for their thoughtful contributions to the policy development process, because it has allowed us to pick up where these trip lines may exist through the policy development process and cure them as we go, to the extent that, at some point in the near future, we find ourselves with the public health emergency partially behind us and Canadians en masse changing their behaviour towards how they go to work and what motivates them to do so. We're going to have to continue to refine the policies we have in place now to meet the needs of not only Canadian households but the broader economy as well.

To your question, yes, there will continue to be opportunities for input and a willingness on the government's part to be flexible where we need to adjust policy. That said, to date the policies we have rolled out have largely been successful. They are more ambitious than those of most other countries in the world and have delivered benefits in a timely way. We've been able to do this because we were so open to feedback from different perspectives. It allowed us to spot these so-called trip lines and remove them, for the most part, before they caused trouble for wide swaths of the Canadian population.

• (1425)

The Chair: You have time for a final short question, Pierre.

Hon. Pierre Poilievre: Thank you.

I appreciate your openness. I think that we do have to work together on this, because a lot of well-meaning business owners and workers who desperately need the assistance that government is providing because of the shutdown will fear that they could lose that assistance if they do the right thing and cross these arbitrary thresholds. We're going to have to find a way to remove that, or else a lot of very hard-working and decent people are going to be prevented from going back and fully participating in the economy.

The Chair: Mr. Fraser, do you want to add something?

Mr. Sean Fraser: Thank you very much. I appreciate that, which was largely a reiteration of the previous point.

Perhaps on the need to collaborate, I will say that despite the fact that we've had some enjoyable debates in the House of Commons, I have found that my colleague has been helpful not only on this committee but in some of our other conversations, and so have some of the MPs who represent different parties.

I think it's important to acknowledge that all members of this committee and members of Parliament have an open door in their ability to contact the ministers responsible for different portfolios, and to contact as may be appropriate for issues pertaining to the finance portfolio. It doesn't mean that we're necessarily going to agree on every single policy suggestion, but I do want to communicate that we have an open door to identify and clear some of these so-called trip lines, should they present real problems to the Canadian economy.

The Chair: Thank you both for that. I'll give you the list of speakers so everyone knows. We can probably get five more in.

Next up on the six-minute rounds will be Ms. Dzerowicz, followed by Mr. Ste-Marie and Mr. Julian. Then we will go to Mr. Cooper and Mr. Fragskatos, which might take us to the 45 minutes.

Ms. Dzerowicz, you're up.

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

I know you can't see me, but I can see you. A huge thanks to the Zoom team, who heroically tried to make me show my face, but we haven't been able to do it.

Also, Sean, I send a huge thanks to you for not only your extraordinarily hard work but also for your opening comments today. I too want to join in and say that my thoughts and heart are with Nova Scotia today, as well as with the Canadian Armed Forces and all those affected by the helicopter crash and the tragedy we heard about last night and this morning.

I have a two-part question. The first part is in regard to something that the Parliamentary Budget Officer said today, which was that the deficit in Canada is likely to top \$252 billion. This is a huge number. How do you think Canadians should be interpreting this number? What do you want to be saying to Canadians at this time?

The second part of my question is about something you alluded to in your answers to Mr. Poilievre. My understanding is that Canada has been the most generous in terms of its emergency relief programs, and the fastest in terms of getting dollars into the hands of people. Can we continue to be as generous moving forward?

Mr. Sean Fraser: I'll give two themes to the response: First, yes, we can afford this; second, we cannot afford not to. There is a cost to everything, including inaction, and perhaps I'll start there.

The absence of serious and substantial federal government intervention in the present circumstances had the potential to lead to a widespread collapse of households and businesses in communities from coast to coast to coast. If you can imagine what it would be like if houses were being foreclosed upon, businesses were being

shut down and people didn't have a workplace to return to at the end of this public health emergency, the cost would hardly be able to be measured in dollars.

Conversely, the cost of the action we've taken can be measured. I've mentioned the magnitude of some of the measures we've implemented to date. The PBO report points out where the cost could go. He also noted in his report that Canada is positioned well to respond to a challenge such as this and will remain in a position to continue to respond should the need demand it.

One of the reasons we're in a particularly healthy fiscal position that enables us to use the firepower we've set aside for a crisis such as this is that, going into this crisis, Canada actually had the lowest debt-to-GDP ratio of any G7 economy. We were coming in at our lowest rate of unemployment and our highest job rate, and frankly, the lowest poverty rate we've had since we started keeping track of those statistics more than 40 years ago.

During his testimony at this committee just a few weeks ago, the governor of the Bank of Canada likened our economy to that of an Olympic athlete, I think it was, who was dealing with this virus, and saying that someone who is that fit is more likely to come out of this virus in better shape than a person who has a pre-existing respiratory illness.

Because of our healthy fiscal position heading into this crisis, Canada is able to offer a world-class response in both magnitude and timeliness, and I dare say that the cost of inaction would greatly outweigh the cost of responding in the manner in which you've seen the government take action in the past few weeks.

• (1430)

Ms. Julie Dzerowicz: Thank you so much.

My second question is about the \$9-billion package that we've announced and that has now passed in the House of Commons this week in Bill C-15. I'm enormously proud and grateful and I think it's necessary for us to be supporting our students to ensure that they continue to have the finances to continue with their post-secondary education and their career efforts.

There are some concerns that the package might provide disincentives for students to be take jobs that need to be filled during the summer period. How would you respond to that?

Mr. Sean Fraser: Thanks for the question. It builds on Mr. Poilievre's intervention at the beginning of this meeting.

As a quick digression, my first political job was as the student union president at St. FX. I was one of those students who used to show up on Parliament Hill to advocate for additional supports for students. When I was in that role, we were begging the government for an intervention much smaller by orders of magnitude than what we've seen in the past few weeks.

The issue around a disincentive to work is perhaps nowhere less true than when it comes to students, who value work experience often as much as the paycheck that comes with the jobs they work at in the summer.

I'll note in particular that some students will still be working this summer. We've made a great effort to create additional positions—116,000 positions—to help students achieve the level of work experience to kick-start their careers. However, there are quite a few students—tens of thousands or hundreds of thousands across Canada—who are facing an economy that is not as rosy as it appeared to be just a few short months ago. We have to recognize that they too have ordinary costs of living that are coming due, whether that's rent or electricity, and also have the added challenge of saving up for the next semester or to start paying off student loans.

Some of the things we've done include putting a moratorium on student loan payments for the next six months. We have included an income support, yes, but to provide an additional incentive to work for those who want to work but can't find a job, we've also created the new Canada service grant, which allows students to take part in activities that will help with the fight against COVID-19. This will provide them with work experience and a grant of up to \$5,000 to help with their education.

I see I'm running out of time, so I'll cut it off there, but please know that we want to support students both with the cost of living and by encouraging them to work while we help them save for school at the same time.

The Chair: Thank you both.

We'll turn to Gabriel Ste-Marie.

[*Translation*]

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

As Ms. Dzerowicz and Mr. Fraser have done, I would like to say that our thoughts are with the families of the victims of the Nova Scotia killings, and with the families and colleagues of the victims and members of the forces who went missing in the helicopter crash.

Mr. Fraser, my questions will focus on assistance for big business and banks. Last Saturday, economic columnist Michel Girard suggested linking this assistance to 10 conditions. I would like to know the government's position and your reaction to that.

The first condition is that the company receiving government assistance must not use tax havens in any way in the course of its commercial activities, either directly or indirectly, that is to say, through commercial allies that are established in tax havens.

What is the government's position on this?

• (1435)

[*English*]

Mr. Sean Fraser: First, thank you for your kind and sincere thoughts for the victims from my home province.

My initial reaction is that I expect there are many things my colleague and I agree on, but there is one area where we may need to distinguish our positions from one another a little.

Certainly when it comes to illegal tax evasion, I expect we both believe measures should be implemented to prevent that kind of illegal abuse. However, in other situations, while companies may play within the rules, the rules may not provide a sense of justice to certain individuals. We should be working together in a nonpartisan way to help advance rules that limit the kinds of practices that we don't think are appropriate. However, we can place ourselves in a very dangerous position if we're not careful about how we craft these policies. I find that a simple solution for many of these complex problems doesn't actually pan out in reality.

The wage subsidy, for example, is a program designed to ensure that support reaches directly to workers and families. That program may run through large employers but is ultimately for the benefit of workers. What we can't do is put in a rule that may on its face sound like it's pursuing a laudable objective but has the consequence of denying income to workers who are actually able to maintain a position of employment throughout this crisis.

I very respectfully suggest that the devil may be in the details. When it comes to some of the programs, I would certainly rather tackle the tax avoidance or tax evasion issue, but not at the cost of providing support to workers who may otherwise go hungry.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you. Your position is very clear.

The second condition for aid to large enterprises is as follows.

If the government assistance takes the form of a grant, in return the company would have to transfer a share of its capital stock, that is a block of shares proportional to the amount injected, to the government. Thus, once the crisis is over, when the recipient company recovers on the stock market, we, the taxpayers, could enjoy a return on our collective investment.

What is the government's position on this suggestion?

[*English*]

Mr. Sean Fraser: A number of programs have been advanced at different times in our history, both in Canada and around the world, that have seen governments take equity stakes in companies. As a rule of thumb, I find that government is not as good at running businesses as businesses are that have their own skin in the game.

To date, the supports we have designed have not been treated like investments that the government is making with a view to earning money. They are investments that we have made to ensure certain social circumstances don't become apparent. We're trying to essentially adopt a mindset that households are too big to fail and that businesses need to be protected. Our goal at present is not to buy securities in businesses that are in trouble; our goal is to support those who are in dire need of support to avoid the circumstance of not being able to afford the cost of living or to support businesses may be forced to close permanently.

To the extent that you or your colleagues from the Bloc or other parties have helpful suggestions on where taking an equity stake in certain kinds of troubled businesses may be appropriate, I'd be interested to consider those proposals in further detail, but until I have firm details before me to consider, it's hard to pass judgment on the appropriateness of any one particular proposal.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you.

Here is a third condition. The company's senior management would have to significantly reduce its compensation for a year or more if the return to normal operations is delayed.

Could the government consider requiring large companies that have received assistance to commit to reducing their executive compensation?

• (1440)

[*English*]

Mr. Sean Fraser: Again, nothing has been taken off the table in terms of our economic response to help households and businesses weather this time of unprecedented difficulty, and again, I hesitate to pass judgment on this particular suggestion in the absence of specific detail.

I do, however, want to acknowledge that it could be a difficult pill for a number of Canadians to swallow if they see the government extending major supports to businesses during a year when a CEO takes a significant bonus that may be extraordinarily large, particularly when that amount doesn't reflect the reality of so many Canadians and the budgets that they're accustomed to working within.

I would reiterate the invitation to my colleague from the Bloc Québécois to pass along any helpful suggestions he may have on how some of these issues can be tackled. We want to ensure that our process not only helps Canadians, but helps Canadians understand how we're trying to target support to people in need. We want the programs that we put forward to inspire a sense of fairness at the same time.

Therefore, to the extent my colleague has helpful suggestions on how we may achieve those ends, please know that you have an open invitation to contact me as you have previously.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you.

[*English*]

The Chair: Thank you both.

We'll go to Mr. Julian, and then he'll followed by Mr. Cooper.

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): I don't mean to interrupt. I'm on the English channel and the translation's not coming through.

The Chair: Can the technicians check that, please?

[*Translation*]

Mr. Gabriel Ste-Marie: Mr. Chair, if I may, I was not in French mode, but in floor mode. It's just like in the House. Now it should work.

[*English*]

The Chair: Okay, that would be why, Jennifer. If he's on the French channel, the interpretation will come through better. When you're speaking in English, use the English channel. When you're speaking in French, use the French channel. It makes it a lot easier for the interpreters.

Peter, you have six minutes.

Mr. Peter Julian (New Westminster—Burnaby, NDP): Thanks, Mr. Chair.

Thanks to our witnesses. We hope your families continue to be safe and healthy. As my colleagues have done, I share my condolences with the families of the victims in Nova Scotia, and we think of our Canadian Forces members as well.

I want to start by asking about the issue around tax havens. Other countries have taken action. France, Denmark and Poland have all said public money, corporate bailouts and those kinds of public funds will not be used for companies that use overseas tax havens.

Putting aside any direct support to workers, can the government be clear about the issue of tax havens? The Prime Minister has contradicted himself in English and French. The Minister of National Revenue has contradicted the Prime Minister. I'd like the parliamentary secretary just to state very unequivocally that any corporate bailout funds will not be used for companies that use overseas tax havens.

Mr. Sean Fraser: Peter, as a point of clarity here, which programs are you speaking about? Is it the emergency measures more broadly or measures that have not yet been announced but may be in the future?

Mr. Peter Julian: It's measures that have not been announced but that will be announced, and any direct support to corporations that isn't going to workers but going directly to the corporate side.

Mr. Sean Fraser: Look, I think you'll appreciate that I'm not in a position to speak about the details of programs that have not yet been developed or announced for, perhaps, obvious reasons.

Each of the programs you've seen announced to date has been to respond to a targeted need. I used the wage subsidy example previously because it was trying to target wage subsidies. To the extent that other programs seek to meet similar needs, I suppose the same answer would apply.

I will not, at the cost of the Canadians we are trying to support, let a particular rule prevent that support from reaching them. However, that doesn't mean that we can't work together, simultaneously, to continue our work to both punish those who evade taxes illegally and change rules that would create a fairer tax system.

I think we would agree that all Canadians, whether they're individuals or businesses, need to pay their fair share, but I'm not in a position to speak about the details of programs that do not yet exist.

Mr. Peter Julian: The amount, according to the Parliamentary Budget Officer, as we know, is more than \$26 billion a year, in both legal and illegal tax evasion. Of course, this government has expanded the access of the corporate sector to legal tax evasion through the use of tax havens and treaties with tax havens.

I'll move on to two other issues.

The first is the issue of banks, and certainly, we're moving up to May 1. We have seen mortgage deferrals approved but always with interest, penalties and fees in the banking sector. Of course, the credit card rates and lines of credit continue to be very high. The credit union sector has reduced in many areas to zero per cent for credit cards and lines of credit for Canadians struggling to get through this crisis. The banking sector has said very clearly that if the government provides direction, they will follow. Why hasn't the government stepped up yet to ensure that there isn't profiteering during this crisis by the banking sector, by Canada's big banks?

Second, around the issue of rent relief for May 1, the federal government did take initial steps around commercial rent relief, but one-third of Canadian renters, one-third of Canadian families, are going to have difficulty paying their rent tomorrow. Will the government take steps immediately to provide the same rent relief for residential tenants that they provided for commercial tenants?

• (1445)

Mr. Sean Fraser: Thank you very much.

Perhaps I'll start with the rent piece and, if time allows, address the banks, because I know there's a lot to unpack in just a few short minutes from that question.

The rent piece for residential circumstances is something that's not lost on us. There are, obviously, jurisdictional challenges because of the provinces' primary jurisdiction. That's not a good answer to somebody who wants to pay rent this month and has a limited ability to do so. That's why our focus was on delivering direct personal income support to those who were affected in the early days.

You'll recall that it wasn't just the CERB we put in place but also programs like the enhanced Canada child benefit, the enhanced HST rebate and certain other measures that delay amounts that could be owing to the federal government. To the extent that we had existing mechanisms to get support to Canadians directly and expeditiously, we have used them. As I said in response to a previous answer, I don't want to take anything off the table. We have an open door with our provincial counterparts should they want to tackle problems of this nature.

To the point you made in respect of our banks, I appreciate that there is a need to protect against unjust profiteering. I would sug-

gest that, at this time, when I look at what markets are projecting, banks are not in a position where they are racking up immense profits on the backs of Canadians. They have taken some steps with respect to mortgage deferrals. We've seen a reduction in credit card rates certainly by credit unions, but across the board for many of the large companies.

They've also been an excellent partner, I have to say, with the expeditious rollout of the Canada emergency business account, which has now helped almost half a million businesses in the past few weeks alone. We do need to partner with the banks. We have to ensure that there are protections in place so that they don't profit on the backs of vulnerable Canadians, but they're going to be an important part of this emergency response and the economic recovery.

The Chair: Peter, let's have a fairly short one if you could.

Mr. Peter Julian: The federal government has tools. Why aren't you using them so that those supports are in place?

Mr. Sean Fraser: With respect, in our country's history I think more supports have been advanced in the past few weeks than at any time outside of a global armed conflict. The supports we've put in place to ensure Canadians have the ability to weather the storm include a \$2,000 monthly payment that allows them to earn up to \$1,000, cheques directly to Canadians in the form of the Canada child benefit or the HST rebate and, for businesses, interest-free loans, wage subsidies and rent supports.

Frankly, I can't imagine a swifter response could have taken place to target the gaps that revealed themselves just a few short weeks ago as a result of this pandemic.

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

We'll take two more questioners for you, Mr. Fraser, and then we'll let you off the hot seat and put the officials on.

We'll start with Mr. Cooper and wrap it up with Mr. Fragiskatos.

Michael, you're on.

Mr. Michael Cooper (St. Albert—Edmonton, CPC): That's great. Thank you very much, Mr. Chair.

Thank you, Mr. Fraser, for your submissions.

I want to focus on CEBA. A lot of businesses in my riding, indeed right across Canada, don't qualify due to various issues respecting eligibility. These have been well identified. I would submit many are easy to fix and would go a long way to providing businesses with the liquidity they desperately need to stay afloat as they make the tough choices about whether they can go forward or shut their doors altogether.

One of those simple fixes involves the restriction, namely that to qualify one must have a business account. Sole proprietors and real estate agents often don't have a business account. They operate out of a chequing account.

Is the government looking at addressing this, and if not, why not?

• (1450)

Mr. Sean Fraser: There's a short answer to this question and a long answer. I'll start with the short one because I know you have a limited amount of time.

The Canada emergency business account, like the other programs we put forward, is designed to target certain fixed costs for businesses that are having a difficult time as a result of this pandemic. Although the program has been frankly working very well, we have heard there are certain gaps that leave some business owners who could benefit from this program without access to it.

Some of these businesses can benefit from other measures like the announcement I shared during my opening remarks around the regional development agencies or through the community futures program, but others may find that doesn't provide the solution they need.

To your question, there is an openness to addressing this problem to extend supports to businesses that so far do not qualify for the emergency business account. Without getting into the full details of the long answer, some of the factors that are leading to their current exclusion from eligibility are there for good reasons, such as the payroll threshold of \$20,000, which I know has caused some consternation with some national stakeholders because that program may not allow certain individuals to qualify, depending on how they pay themselves.

That payroll test also provides a very quick reference for banks to determine who is eligible for the program and provides protections against abuse by organized crime, among other things. Though there may be certain simple solutions, they tend to become less simple when you dig into the consequences of simply abandoning certain requirements.

To the extent that you have suggestions that could improve this policy, I am interested in them. In that regard, I'd like to thank your colleagues, Mr. Cumming and Mr. Poilievre, for some of the suggestions they have made recently in the public sphere.

Mr. Michael Cooper: Speaking of the \$20,000 payroll eligibility requirement, I've heard from a number of start-ups in my riding that don't qualify because they opened their doors in November or December or after January 1, and of course if you opened after January 1, you're out of luck because it's based on a 2019 payroll.

Is the government considering allowing businesses to use a PD7A statement, with respect to 2020 payroll activity? That would allow some of these small businesses that are start-ups that don't qualify under the current rules because they don't have a 2019 payroll, but otherwise would meet that payroll requirement, to qualify.

Mr. Sean Fraser: Thank you for the question. I understand the concern. Believe me, if you wanted to canvass members of Parliament, I think you would have a pretty good idea of what kinds of

concerns are popping up. People are reaching out to our offices more often than they ever have before with questions and concerns about their eligibility.

Specifically on the issue, there's a distinction, just based on the language you've used, between new businesses and start-ups in the traditional sense. On the question as it pertains to new businesses that may not satisfy the payroll requirement because they haven't been paying people long enough to qualify, even though their annualized pay may exceed \$20,000, that's one group that we're looking at finding solutions for, although they may be eligible through some of the programs that will be released through the regional development agencies or the community futures program.

For start-ups, the challenge is more specific in that many of them have been around for a few years but are at a pre-revenue stage of their business's evolution. For those business owners, we've made a major investment through IRAP to help ensure that the tech sector can continue to exist and thrive in Canada. We're looking at what further measures we can put in place to ensure that they have access to the cash they need to survive this storm.

The Chair: We'll have to end it there. That was a very good series of questions and answers, folks.

We'll have to wrap it up with the parliamentary secretary with Mr. Fragiskatos.

Go ahead, Peter.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thanks very much, Mr. Chair.

Thank you, Mr. Fraser. You were good enough to pass along birthday wishes at the outset of today's meeting, and I know that other colleagues did. There was a question as to how old I am. I'm not a day over 25, give or take; maybe give.

In any case, Mr. Julian didn't bring up basic income today, but he's brought it up, as I think you know, Mr. Fraser, at our deliberations once or twice, or 17 or 18 times, in the past few weeks. Why didn't the government go down this path? What were some impediments to our deciding to pursue a basic income?

• (1455)

Mr. Sean Fraser: Thanks for this question. My ideological previous position had me curious about whether a basic income would have been appropriate when this pandemic first revealed itself to be of the magnitude that we now understand it to be. When we actually dug in to understand the best path forward, there were certain shortcomings on the approach that our colleagues from the NDP had been calling for.

If we simply extend a \$2,000 payment to all Canadians monthly, a few problems come up. One of the primary issues is that it's not particularly well targeted. We tried to develop programs that reach Canadians who are in need as a result of this pandemic. For example, the members of this committee, who are all still working and earning an income and have not seen a decrease in what they take home each month, don't necessarily need access to a universal payment.

Similarly, the timeliness of our ability to send money to all Canadians is not as simple as it seems, on first blush. There's not a "send money now" button sitting in the Department of Finance offices where we can simply have money magically appear in accounts, despite what some people may think, because CRA has a fairly comprehensive dataset. We found that it was quicker to deliver benefits directly to Canadians in need by using existing mechanisms, such as the Canada child benefit or the GST rebate program, and developing a single new simple application portal through the CERB, which has now provided benefits directly to seven million Canadians who've seen an interruption to their income as a result of this pandemic.

I just want to point out the remarkable work of our public service. At one point in time, this particular program was processing, I believe, a thousand applications per minute. This is a remarkable achievement in government. Quite frankly, in my lifetime, I don't know that I've seen a more impressive rollout of a single policy to date.

Mr. Peter Fragiskatos: Thank you very much for that.

Can I ask you about how our overall policy response has spoken to the needs of those on the margins or of those living in poverty? There's always been this concern in terms of crisis and how it impacts particularly those who are living in poverty or who are, as I say, living on the margins, who are facing particular stresses. Are there specific examples you would point to that you think are quite relevant?

Mr. Sean Fraser: Absolutely, and thank you for the question. I know you've been a tremendous champion for Canadian charities and the non-profit sector that help some of these most vulnerable Canadians.

I will address some of the measures that we've put in place to help those organizations help people in need. First, though, I'll point out that some of the benefits that have near-universal application to those who have experienced a loss of income in this pandemic also help those who are living on the margins, and perhaps disproportionately help them, given the proportion of their income that a benefit such as the CERB could represent, or the enhanced payments through the Canada child benefit or HST rebate, which disproportionately help people from lower-income backgrounds.

In addition to those benefits that may apply to people who are not living in poverty, but cover them as well, we realized that there are certain organizations that are essential to our communities that have perhaps never been more essential. We rolled out a series of supports for charities like the United Way to help seniors who may be in their homes and can't afford their groceries or are unable to reach out to members of their community for assistance. We've seen massive investments to help deal with the operating costs of essential organizations such as food banks.

We've been trying to target supports where they are most needed. I have to say, over the past few years, my eyes have never been so opened to how difficult it is for a person who's living in poverty just to scrape by in Canada. When you start to knock on the doors of seniors who are trying to decide whether to pay their rent and eat unhealthy food...it can be absolutely heartbreaking.

I appreciate your advocacy for us to continue to fund families who are living in poverty directly, and your support for these organizations that provide essential services to those who are facing the greatest need.

• (1500)

The Chair: Thank you for appearing before us on behalf of the minister, Mr. Fraser.

I should explain to the committee, Sean had to come in fairly late in the game. The minister was available tonight at seven, I believe it was, but because more committees are functioning now, and Parliament can only do two at a time, it became impossible for him to take that time slot. We did look at tomorrow for Minister Fortier, but that was impossible as well because we would have had to cancel seven witnesses and move that all around.

Thank you very much, Mr. Fraser, for filling in.

With that, we will go to questions to officials. I expect you're staying as well, Sean.

The questioning rounds will go to five-minute rounds. The first one up will be Mr. Morantz, then Ms. Koutrakis, then Mr. Brunelle-Duceppe and Mr. Julian.

Marty Morantz, you're on.

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

This is to any of the public servants who could possibly answer this.

I want to circle back to something Mr. Fraser was talking about. One of the questions I've been hearing from constituents is why their businesses don't qualify for the CEBA because they're new. I'm delighted to hear Mr. Fraser say that you are analyzing that.

Could you give us some sense of what you're looking at, in terms of rectifying that aspect of the unfairness in the CEBA program?

Mr. Soren Halverson (Associate Assistant Deputy Minister, Financial Sector Policy Branch, Department of Finance): As the parliamentary secretary noted, it is certainly an area that we're hearing about. As he also indicated, we have criteria in place. I can't really speak specifically to how we would go about modifying those to bring in start-ups. It's the kind of conjecture that I can't speak to. I can say, though, as was indicated by the parliamentary secretary, that there are a number of alternatives in place in the form of support through the IRAP—

Mr. Marty Morantz: Yes. I'm speaking specifically to the CEBA, though. Thank you.

What percentage of Canadian small businesses don't currently qualify for the CEBA program?

Mr. Soren Halverson: Looking at the small business statistics that are produced by ISED, there are around 1.2 million businesses, if my memory serves me correctly, with employment between one and 99. We think that just over a million businesses have access to the program, based on the current thresholds. There are some nuances going on in terms of how sole proprietors, for example, fit into that mix, but our best information is that we're covering a pretty broad swath of the universe of small businesses, particularly those that employ individuals.

Mr. Marty Morantz: Turning to the wage subsidy for a second, I want to get clarification. In the first period, you have to have a revenue loss of 15% to qualify for the wage subsidy. Then in the second period, you have to have a revenue loss of 30% to qualify for it.

What happens when a business applies and has a 15% revenue loss, so they qualify, and then applies in the next period or the period after that and doesn't have a 30% revenue loss? Do they get kicked off the program and have to lay off their employees?

Mr. Andrew Marsland (Senior Assistant Deputy Minister, Tax Policy Branch, Department of Finance): Thank you.

On the way the wage subsidy is structured, you're of course correct that the first reference period, from March to March or using some other metric that's allowed by the legislation, requires a 15% drop in revenue. There is a rule in the framework legislation that essentially deems that you qualify in the second period if you qualified in the first period. The purpose of that rule is to provide added certainty to an employer so you don't get fluctuating in and out. That would automatically qualify you for the second period. If a business didn't qualify in the first period but qualified in the second period, it would be deemed qualified in the third period.

There is a smoothing mechanism in there that helps deal with the risks you identify.

• (1505)

Mr. Marty Morantz: I have just one last question, Mr. Chair.

On the CERB, I have been hearing, contrary to Mr. Fraser's comments.... In fact, yesterday I had a meeting with a major grocery store chain, and it said that out of the 400 people hired just after the CERB came out, two-thirds didn't show up for work. Clearly counterintuitive behavioural change is being caused by that program.

I'm also wondering about accountability. The PBO said today that the CERB is a \$40-billion program. Yesterday, Parliament agreed that there would be accountability in the student benefit by requiring students to attest to the fact that they had at least done a job search. Why not have similar accountability requirements in the CERB as well, so that we avoid these unintended consequences?

The Chair: Who wants to give that a shot?

Ms. McDonald, go ahead.

Ms. Suzy McDonald (Associate Assistant Deputy Minister, Federal-Provincial Relations and Social Policy Branch, Department of Finance): I can start, Mr. Chair, and then perhaps colleagues would like to add on later.

The idea of the CERB was to create an income replacement for people who had stopped working. As the parliamentary secretary

indicated, we have since changed it to allow people to earn up to \$1,000 so they can have an income and still draw down on the CERB. I think the question becomes whether or not that entices people to go into the workplace. Again, the idea was for the CERB to be an income replacement for people who had lost their jobs in the context of the pandemic, and we continue to provide that.

There is an attestation that people need to attest to. They need to re-attest every month that they continue to be without income or continue to have not more than \$1,000 in income.

We are looking at other things to make sure that people can and will return to the workplace. These include working with provinces and territories on a wage subsidy or a top-up and continuing those discussions.

Perhaps ESDC would like to offer more on that.

The Chair: Does anybody from ESDC want to comment?

Mr. Andrew Brown (Director General, Employment Insurance Policy, Skills and Employment, Department of Employment and Social Development): Just to echo what we heard from the parliamentary secretary earlier, we are continuing to review the programs and are looking to make adjustments as required.

One of the other things that's really important to recall with the Canada emergency response benefit is that it responds to a broad number of situations and not just those situations where the person's work has been interrupted because, for example, it was temporarily shut down. It's also responding to those situations where people are off work to provide care for children or family, or who could be sick themselves as a result of COVID-19. There may be reasons, even when they're being recalled to work, that they are not able to do so.

The Chair: Okay, thank you all on that round.

I would just add to officials on Marty's point, I have some employers in the fertilizer business who are having some difficulty getting employees this spring. You did say "make adjustments as required", so I would keep that in mind. There needs to be some pressure to ensure that work is the priority, because we can't have a healthy economy if people aren't willing to get out there and do the work. I know some of these jobs are tough. I worked in a fertilizer plant myself.

With that we will turn to Ms. Koutrakis.

• (1510)

Ms. Annie Koutrakis (Vimy, Lib.): I want to thank everyone today for appearing before this panel. It's a great conversation, which I am enjoying and I'm sure everyone is along with me.

I also wanted to extend my sincere condolences to everyone in the province of Nova Scotia and to thank Mr. Fraser for a wonderful presentation.

As my colleague Julie Dzerowicz referenced today's PBO analysis earlier, I will refer to it as well. This question is directed to the Department of Finance.

Today's PBO COVID-19 scenario analysis paints a picture of significantly reduced GDP growth and high rates of unemployment. That being said, it has been noted that our government's healthy balance sheet, something Mr. Fraser also discussed earlier today in his testimony, as well as historically low interest rates, allow the federal government to invest. The PBO notes that fiscal stimulus may be required to support the economy following the crisis.

It has also been suggested that investments in infrastructure development may be an effective form of economic stimulus. How impactful do you believe infrastructure projects could be in the recovery of the post-COVID economy and what further role can the federal government play in supporting these projects?

Ms. Evelyn Dancey (Associate Assistant Deputy Minister, Economic Development and Corporate Finance Branch, Department of Finance): Perhaps I could start on that question. I work in the area of Finance Canada with policy responsibility for domestic economic development.

In the first instance, we are the part of the department that looks across the infrastructure programming at the federal level. I absolutely agree with your point that federal infrastructure spending has a number of times been a solid source of stimulus measures. It's certainly part of the playbook for the Government of Canada in terms of helping to support economic growth, particularly after a major disruption.

We are currently working very hard to think about the best measures to bring forward at the best time in light of the unfolding public health guidance. The science is telling us how to slowly restart the economy and integrate workers, for example, back at job sites.

Just to conclude, I absolutely take the point about infrastructure. It would be something we would continue to think about as a potential stimulus measure. We probably have some time between now and then as we see the progression of the virus.

Ms. Annie Koutrakis: I also have a question for the CRA.

The C.D. Howe Institute's crisis working group has pointed to high CERB application rates as an indicator that workers are being incentivized to leave their jobs in exchange for support through the emergency response benefit. It also goes on to suggest that the implementation of the CEWS may result in a decline in CERB applications, as more employees choose to remain with their employer.

Are high CERB application rates a cause for concern, and should action be taken by the government if CERB applications do not decline following the implementation of the CEWS? What steps will be taken to ensure a smooth transition as individuals receiving the CERB return to work?

• (1515)

The Chair: Go ahead, Mr. Vermaeten.

Mr. Frank Vermaeten (Assistant Commissioner, Assessment, Benefit and Service Branch, Canada Revenue Agency): Thanks for that question.

We're certainly monitoring very closely and have very good data on CERB applications and also those receiving the CERB. The same can be said for CEWS. As people are subsidized by CEWS, employers will be providing, of course, T4 information and everything with respect to the earnings of those people. We'll be monitoring that carefully and looking at what happens to CERB applications on a macro basis when we look at how many people are on CEWS and how many of those are newly rehired, and the CERB applications on a micro level. We'll be monitoring that with respect to the policy that would go forward to the Department of Finance.

The Chair: Thank you all.

We'll now turn to Mr. Brunelle-Duceppe, followed by Mr. Julian.

[*Translation*]

Mr. Alexis Brunelle-Duceppe (Lac-Saint-Jean, BQ): The people of Lac-Saint-Jean and I stand with the people of Nova Scotia who are affected by the recent tragedies. It was important to me to say that.

Mr. Marsland will probably be able to answer my first question, which relates to regulation 14 (c) of the \$40,000 emergency business loan application. It says that elected officials do not have access to this loan if they control a business. Does the department plan to change the definition of "political office" in the upcoming regulation?

Will this problem be fixed?

[*English*]

Mr. Soren Halverson: Indeed an adjustment has been made to the attestation to clarify that the constraint is put in place for federal elected representatives only. For others, there is no such constraint anymore. I think if that's not in place yet in terms of the online attestation forms that applicants are seeing, it will be very soon because we just went out to financial institutions with that adjustment. We went out yesterday I believe, so it may take them a couple of days to put it through their IT systems.

[*Translation*]

Mr. Alexis Brunelle-Duceppe: All right. So that has been changed in the regulation. This is going to change things considerably. Thank you very much.

I would now like to ask you a question about the Canadian student emergency benefit, or CESB. Mr. Marsland could also answer it.

Has anyone in the department calculated how many hours of work per week a student would have to accumulate to earn an amount equivalent to the CESB?

[English]

Mr. Alexis Conrad (Assistant Deputy Minister, Learning Branch, Department of Employment and Social Development): Thank you for the question.

One of the key features of the act is that a lot of the financial details are actually going to be in the regulations, and a lot of those details will be rolling out in the coming days. What we are doing right now is assessing those variables to make sure that the benefit actually meets the needs of students and doesn't disincent work.

Back to the point that was made earlier, we do believe that the vast majority of students want to work and we'll make every effort to get them connected with available jobs, but we do want to make sure that they have the opportunity to get jobs and to get the benefit when they cannot find work.

[Translation]

Mr. Alexis Brunelle-Duceppe: I agree that everyone wants to work. On the other hand, I know very well that students know how to count. When I was working during the summer, I wanted to have as much money as possible in my account.

We did the math: it would take 44 hours at minimum wage to match the amount a student who is eligible for CESB and works only 19 hours a week would receive. A lot of jobs are only 35 hours a week. We're not saying that students don't want to work, but we know they want to make as much money as possible before they start school again in September.

I think it's really important for the department and the government to do these calculations. They have to try to find a solution so that students do not refuse to work, especially since the government has just created a lot of jobs through the Canada summer jobs program. However, these are probably all jobs that only offer 35 hours a week, and in which students will earn less money than if they only work 19 hours a week and still receive the CESB.

Will the government put in place a process for students who are looking for work? What mechanisms are you considering to allow students to prove that they are looking for work? Could you give me a brief explanation of that, please?

● (1520)

[English]

Mr. Alexis Conrad: The first step will be an attestation. The students need to attest legally that they are looking for work. Through the regulatory process and other measures, we will also connect them with various job services and connections to employment, because that's the gap we want to fill. Employers in agricultural and other areas are desperately looking for people to work for a period of time. We want to make sure that connection is made. We know lots of students use those services now, but the more we can do to highlight them, the better we will do.

Also the government has announced changes to the Canada summer jobs program to change the eligibility to make sure that students can find work in different styles through that. There is a concerted effort by the government to connect students with jobs and to make sure they have the opportunities they need, both for the financial reasons but also for the work experience.

[Translation]

Mr. Alexis Brunelle-Duceppe: So there will be a check to ascertain that they are looking for a job. However, do you believe that you have the human resources needed to verify that that is the case for all students who apply?

[English]

Mr. Alexis Conrad: Obviously I can't speak to how the departments will look at the compliance, other than to say the act does authorize the minister to verify any information. That is part of our plan.

The Chair: Thank you, all.

Before I go to Mr. Julian, the speaking order for the next round will be Mr. Cumming, Mr. Sorbara, Mr. Cooper and Ms. O'Connell.

Peter, you're on.

Mr. Peter Julian: Thank you very much, Mr. Chair.

Thank you to the officials who are being here.

Today my next questions come from Mumilaaq Qaqqaq, who is the Member of Parliament for Nunavut.

As you're aware, tragically there is now an outbreak in Nunavut, in Pond Inlet. There are grave concerns about the impacts of that outbreak because of the housing shortages in Nunavut and the fact that many families are often packed together in a small family home.

The territorial government made a request for \$43 million. The federal government had approved and committed \$30.8 million going to Nunavut. At the same time, a commitment was made to provide supports for the airlines in the northern territory in Nunavut. As you all are aware, I'm sure, airlines are absolutely essential for supplies getting into communities throughout Nunavut.

The question is very simple. When are those funds, the \$30.8 million and the \$5 million, going to be made available to the Government of Nunavut, particularly in light of this tragic outbreak?

The Chair: Can anyone answer that question?

Do you want to direct it some place, Peter?

Mr. Peter Julian: It's for the Department of Finance. The commitment was made by the Government of Canada. It is very simple. When is that money going to be made available to the territory of Nunavut?

The Chair: Just so I'm clear, you are talking about the money that was already announced. You're not saying to officials that they should announce more money.

Mr. Peter Julian: No, this is money that has been committed to but has not yet.... I should mention the territory of Nunavut has already incurred costs of \$24 million in preventive preparation for this pandemic, so there are big concerns in Nunavut.

The Chair: Can anybody from finance take that? I think what Peter is saying is that this is an urgent matter and the money should be going out. If nobody is available to answer, the point has been clear.

Ms. McDonald, go ahead.

• (1525)

Ms. Suzy McDonald: I can't speak to the dollars for airlines, but I can commit to getting back to the member about when the dollars will flow to Nunavut. Know that we're working very closely with them. I can double-check on that and respond in writing, or whatever is appropriate, Mr. Chair.

The Chair: That would be great. If you could, send that information through to the clerk as well, so that we have that.

Peter, I won't take that time from you. Go ahead.

Mr. Peter Julian: Thank you very much, and I thank the finance ministry officials for getting back both to me and to Mumilaaq Qaqqaq, the member of Parliament for Nunavut. As I'm sure everybody can understand, there are grave concerns about that outbreak and what it could mean, so the quicker the response the better.

There are also concerns about broadband support, because there is an application to provide better broadband access in all the communities in Nunavut. If government officials could come back on that as well.... I don't expect that anyone would be able to answer that immediately, but if they could come back today or tomorrow with a response on that as well, it would be very important.

Of course we're very concerned. It was an outbreak that had been stopped for over a month and a half, and now unfortunately, it has touched Pond Inlet and we're certainly thinking of the residents of Nunavut now.

The Chair: Do you have another question, Peter?

Mr. Peter Julian: I'll go on to another subject, if you'll allow me to do so. Thank you very much, Mr. Chair.

My question is around the Canada summer jobs program. There were announcements about changes to Canada summer jobs, but the actual number of positions in my riding and across the country has gone down. The 100% funding ability is of course welcome, but because there has been no additional funding put into the program, the number of positions has been reduced.

Is the government prepared now to increase funding for the many organizations, due to the pandemic, that are interested in applying and being part of the Canada summer jobs program? Could the government put additional funding into that program?

The Chair: I don't think it's up to the officials to answer if the government is going to spend more money, but do you want to take a stab at that, Mr. Conrad or Mr. Groen?

You're asking tough questions here today, Peter.

Does anybody want to take a stab at that?

I think the point has been made. We will move on to Mr. Cumming and then Mr. Sorbara.

Mr. Cumming, you're on.

Mr. James Cumming (Edmonton Centre, CPC): Thank you, Mr. Chair.

My first question is related to CEBA. We just heard from the parliamentary secretary that it's a very successful program. Can one of the officials tell me what outcomes are being measured to determine the success of that program?

Mr. Soren Halverson: When the program was set up, the intent was to be able to provide support broadly and very rapidly. Within two weeks of establishing the program, 500,000 loans have been extended to small businesses across the country. That's equivalent to just a little more than \$20 billion. It really is in the rapidity of its deployment and the broad scale and scope of its deployment.

Mr. James Cumming: Thank you.

I would argue that without knowing what the capital was used for, you don't really know if you're going to get the outcomes you want. I'm not sure that's the best measurement, but if that is the measurement—that it has been highly successful and there are lots of people applying—what's the view of the department on when the funds that have been allotted are fully depleted? Is it just a hard stop? How are you going to manage that?

Mr. Soren Halverson: I think your question has probably multiple levels in the answer, so a policy decision is embedded somewhere in the answer there. At present, there are funds allocated to the program. I speculate, on the part of the government, that as we were to approach that limit, then people would be looking at and taking decisions around the availability of funds, if that's the situation we were in. However, it's a bit of a hypothetical moment.

• (1530)

Mr. James Cumming: How close are you to that level?

Mr. Soren Halverson: We have considerable headroom, at the moment.

Mr. James Cumming: Okay.

I want to move on to the rent subsidy. I'm hearing a lot from constituents, from tenants who are quite concerned about the methodology behind the rent subsidy. Here's what I'm hearing. For someone who has virtually no revenue, to suggest that they are going to come up with 25% of the rent to be eligible for the program sounds to me like it is going to be very difficult in applying this program. To ask the landlords, which are a business in themselves, to come up with 25% of the rent also could be fraught with problems.

Is there any discussion on this in the department? I know that others have advocated and have been talking to the government about applying that, the way this has been laid out, and about making some adjustments to that program.

Mr. Soren Halverson: What I can say is that the rent program is part of a suite of programs. It's worth taking into consideration the availability of the CEBA, the availability of CERB payments, and the availability of funds through the RDAs and community futures. In the totality of those programs, which are accessible by both small businesses that may be tenants as well as landlords, depending on their circumstances, there are avenues for funding, whether that's in the form of grant-type funding or credit that is supplementing what you're seeing on the rent subsidy side.

Mr. James Cumming: You also suggested that there will be an alternative mechanism available as it relates to those properties that may not necessarily have a mortgage on them. Can you tell me when that alternative mechanism will be put out? Rents are due tomorrow.

Mr. Soren Halverson: I don't have guidance on that beyond what's already been made public. There's an intent to provide further information on that shortly. I can't give you more specificity than that.

Mr. James Cumming: Why was there not more emphasis put on the banking community to be a partner in this? Currently, what we're hearing is that they're doing deferrals where they fully expect to be paid for whatever the deferral might be, with full interest. That's what they're expecting. The central bank has been quite active with the banks, supporting them. What is the department doing to make sure that banks are showing some latitude with these landlords and with these tenants?

Mr. Soren Halverson: As you mentioned, we've seen deferrals on the part of the banks. We're working closely with them when it comes to other measures. For example, on the CEBA, we're working in close partnership there. We do see them as part of the solution in keeping the financial system working. I don't know what else to say beyond that.

The Chair: Do you have a quick supplementary question, James?

Mr. James Cumming: Yes.

With CEBA, they're more of an agent of the government. As I understand it, the banks are being paid a fee. They really have no risk in that deal. That's how I understand it. Really, they don't, per se, have any skin in the game.

Mr. Soren Halverson: That's a fair comment. Yes, they serve an administrative function in that arrangement.

The Chair: Thank you.

We'll turn to Mr. Sorbara and go to Mr. Cooper after that.

Francesco.

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

Good afternoon, everyone.

Obviously, our thoughts and prayers today go specifically to the armed forces personnel involved in an incident in the Adriatic Sea. Our thoughts are there, absolutely.

Our government has put in place a number of measures really aimed at helping Canadian workers and businesses battle this financial hardship that we've come to be in because of COVID-19. With that, we've premised it on getting support out to Canadian families and Canadian businesses as soon as possible. I think we've largely fulfilled that and are fulfilling that.

To the folks at CRA, Canadian families will be receiving an enhanced Canada child benefit in the month of May. When should they expect that, please?

• (1535)

Mr. Frank Vermaeten: I'd be happy to respond to that.

The Canada child benefit payment will be coming out on May 20. We try to orchestrate it so that everyone gets it at the same time. The cheques are sent a little bit earlier than the direct deposit so that they'll all arrive roughly on May 20, so that's pretty soon.

Mr. Francesco Sorbara: I believe the details are up to \$300 per child on average, and a Canadian family will receive approximately \$550. Can you confirm those numbers?

Mr. Frank Vermaeten: Those are correct. Virtually everybody will receive \$300, and on the income scale those amounts are gradually reduced only at the higher end. Certainly those at the low, middle and higher middle income class will all be getting the \$300, and then, as you said, on average the payments will be significantly higher.

Mr. Francesco Sorbara: That's great news for Canadian families. I know that in my riding as well there are a lot of parents who are out of work, and we know that COVID-19 has impacted a lot of sectors and occupations in which a lot of women are employed. We know that the cost of raising a child is pretty high.

With regard to the CEWS, the wage subsidy, how many businesses have actually applied for that to date? Do we have those statistics?

Mr. Frank Vermaeten: We do. So far we have around 78,000 businesses that applied in the first few days. I think we'll see that gradually accelerate as businesses look at their own situation, and they do the calculations. Certainly, they have many technical questions, so we think this is a really good beginning and we'll be in place to send out those payments next week.

Mr. Francesco Sorbara: Okay.

Also, I have a clarification question for Service Canada and CRA. Thank you very much for putting up the numbers online in terms of how many applicants there have been for the CERB. We know how powerful the CERB has been in assisting Canadian families facing financial hardship. In terms of the numbers, when we look at unique applications versus the ongoing applications, we have the number 10 million and then the number seven million. My understanding is that in the first month of the qualifying period you had seven million applicants.

In the second month, did that number actually go down and that's where you get to the 10 million? I know the media was commenting on it and there was some clarification. Can you clarify that for everyone, please?

Mr. Cliff C. Groen (Assistant Deputy Minister, Service Canada - Benefit Delivery Services Branch, Department of Employment and Social Development): To clarify, I would indicate that, as I think everyone knows, the benefit is being delivered by both Service Canada and the Canada Revenue Agency. The Service Canada delivery is through the employment insurance program. Applicants to the CERB on the Service Canada site need to apply only once, and then they do need to report their continuing eligibility, but they do not have to submit a second application.

However, on the CRA side, there is an initial application period of four weeks, and then subsequent applications are submitted for the subsequent periods. That's why we thought it was very important to be clear about the number of unique applicants, and that is also why there are more applications than there are in fact unique applicants.

Mr. Francesco Sorbara: Okay. Thank you very much for that.

With regard to the Canada emergency wage subsidy, are we still on track to ask...? This is a question for the CRA, which is running the program, and they are doing a fabulous job. I'll put that plug in for the parliamentary secretary and national revenue minister.

Are payments expected to businesses in Canada via direct deposit in the first week of May? I believe the date is between May 5 and May 7? Is that correct?

Mr. Frank Vermaeten: Yes, we're definitely on target for that. It will be important for businesses to sign up for direct deposit in order to get that money as quickly as possible if they're in need of that. We're really pleased to say that we work with financial institutions, and a lot of the major banks now will be offering an opportunity for the businesses to go to their banking portal and sign up for direct deposit through their banking portal. That will speed up the payment.

• (1540)

Mr. Francesco Sorbara: Of course.... Oh, I'm done.

The Chair: Thank you. That's it. In fact, you're a little over. We were nice to you today, Francesco.

We'll go to Mr. Cooper, and then Ms. O'Connell will probably wrap it up, because we have to talk about the complications the whips created for us next week.

Mr. Cooper, you're on.

Mr. Michael Cooper: Great. Thank you, Mr. Chair.

Thank you very much to all of the officials for being with us.

I want to discuss CEBA because, for many small businesses in my riding, the wage subsidy is not helpful to them because they're shut down. They've closed their doors and they've laid off their staff, sometimes weeks ago. CEBA would be helpful but they don't qualify because of issues around eligibility.

I don't want to put words in Mr. Fraser's mouth, but I got the sense or I thought I heard in part of his answer that the government wasn't considering expanding eligibility, but perhaps I'm wrong. I would just be curious to know whether or not the government is considering expanding the eligibility, if there is any movement on that front.

One example is in the case of contractors, whether payments to contractors could be treated as payroll. That's something Minister Ng has acknowledged a number of times, but there just hasn't been any movement on addressing that hole in the program.

I wonder if any of the officials could address that issue, and more broadly, issues around eligibility. Again, in my riding I can't count the number of business owners who are falling through the cracks.

Mr. Soren Halverson: Thank you for the question.

When it comes to the way the program is being executed, it's within a policy frame now. I'm not going to speculate on where that's going.

I will say, in respect of contractors, there are issues in terms of how those fees for services are reported and the consistency with which those fees are reported. It may be in some subset of cases that contractors have reported fees, but it certainly isn't always and everywhere the case that this will have happened. Like many aspects of this program, you would get into like-for-like issues as you look at those sorts of decision rules.

I'll just leave it there.

Mr. Michael Cooper: Okay, that's fair. I understand your position.

In terms of the rental assistance program, I know it was announced that it would be up and running in mid-May. Could you provide an update on where that stands?

On what date will landlords be in a position to apply, and on what day do you anticipate that monies will be deposited in landlords' accounts?

Mr. Soren Halverson: I believe you're working with the most specific guidance right there that is currently available on timing.

Mr. Michael Cooper: That timing is mid-May when it would be rolled out for the purposes of applying.

My next question would be, how long would it take to process? Would you be able to comment on how that would look in terms of the administration of the program, because every day that goes by it becomes more and more difficult when we're talking about what is, for many businesses, their biggest fixed cost, with no revenue at the current time?

Mr. Soren Halverson: Thank you for those comments.

At present that's as far as we've gone in terms of specificity. It's something that people are working very hard on, and we'll come back with specific timing as soon as that's available.

Mr. Michael Cooper: It could be, then, several weeks potentially—perhaps June 1 or later—that there would be any assistance directly provided.

Mr. Soren Halverson: People understand that it is very time-sensitive, and I just am not in a position to speculate on the specifics around timing.

The Chair: There's time for one more question, Michael.

Mr. Michael Cooper: I'm okay. Thank you.

The Chair: I'll just follow up on what Michael was talking about earlier. On the CEBA, there is a problem showing up. I don't expect anybody to probably answer, but I'm going to outline a problem that I would ask people to think about.

On the CEBA, it says very clearly that you have an active business chequing or operating account at the banking institution. I have quite a number of sole proprietors who actually use their personal banking account. They did it for various reasons—they started when they had no money, or they didn't want to pay the extra fees for the business account.

I'll give you an example. This one individual, as a small contractor, did 900 thousand dollars' worth of business last year, had three employees over the summer, paid out \$87,000 in wages and sent out the T4s for those wages. He said to me, "Look, CRA doesn't mind taking my cheque for CPP and EI every month, plus my own personal income tax every month, but they don't want to give me one back all over not having an active business account with the bank."

There must be a way of curing that problem because he can show the T4s, he can show the business he has done, but he does it through a personal chequing account. I'm not asking for an answer. I'm just saying it's a problem we have to try to address.

Turning to the last series, Ms. O'Connell, welcome back to the finance committee.

• (1545)

Ms. Jennifer O'Connell: Thanks so much. It's good to be here.

I want to start with a question to CRA. I know we've extended the filing time for businesses reporting taxes, as well as individuals, but some of our measures also include increased supports for the CCB or the GST rebate. I know a lot of focus has been on the public service and CRA to process these new changes and measures. They have done a fantastic job. My constituents also say thanks for all of the hard work that's being done.

That being said, people are filing their taxes prior to the extension. They might be doing so to ensure that they qualify or get access to the CCB or any rebates and programs and money that they need. How are we assuring people who have filed their taxes on time or early, given the new deadline, that those are actually getting processed so that their supports are then sent out without delay?

Mr. Frank Vermaeten: I'd be happy to answer that.

The CCB and GST see increases. In fact, they are based on the 2018 taxation year with respect to people's information. As long as we have that information on file, people are getting the CCB and GST based on that.

That said, we encourage people to file because you are thinking ahead to the next entitlement year, which will be 2021, and those payments, the July payments, are typically based on the tax returns of 2019. In that sense, if people get those in, when we calculate those entitlements it's going to be based on the most up-to-date information we have. We are putting in place provisions, as is ESDC, to ensure that even if somebody doesn't file, we're going to have a continuity of benefits. Again, it is advantageous to file. We encourage that.

I'll add one more thing with respect to the CERB. Whether or not 2018 was filed, it's not income-tested in that sense. Whether or not they filed, doesn't make a difference.

Ms. Jennifer O'Connell: Thank you.

If I have time I want to ask about some of the feedback we're receiving locally about the rental subsidy, keeping in mind, of course, that I get that a lot of this negotiation is between the provinces too. Some of the feedback we're getting is that the banks are not actually saying that these businesses or these landlords are eligible. It's being based on operating costs and not the full breakdown of the rent.

I don't know if there is enough time to fully answer this question, but has the finance department heard feedback from banks? Apparently RBC is saying the rollout is not what they thought, and, therefore, they are now rejecting some of these applications. Is there a quick explanation of what the landlords can qualify for?

• (1550)

Mr. Soren Halverson: Just so I am sure to answer the question correctly, is this in respect of financial institutions and the deferral of their mortgages, or is it about the rent subsidy program?

Ms. Jennifer O'Connell: It's about the rent subsidy program. Some people are saying that assistance can only be provided for certain portions. I understood it very clearly as being 50% between the federal and provincial governments, 25% from the landlord and then 25% from the tenant. Now, some of these financial institutions are breaking it down even further, saying that it's 25% of the operating costs, not the full cost of the rent, and are getting into some of these complicated calculations. Are you hearing that? Is this maybe some one-off, or is there some clarification we can provide?

Mr. Soren Halverson: If you're getting those kinds of questions, I would have them directed toward the finance department or CMHC. They're questions of a nature that we'd like to perhaps work through a bit more with the people who are posing them. I can't immediately get insight into where they might be coming from.

Ms. Jennifer O'Connell: That's fair. If we could understand that it's maybe not an overall concern but maybe some one-off, that would be good to know.

If I have time, I just wanted to ask if Finance Canada has scenarios or forecasting for the future. We have in place various programs and certain timelines, but we don't really know how long or short a time some of these programs will be needed for. Is scenario forecasting happening at Finance Canada to ensure that we're prepared if we need to extend certain programs?

Mr. Andrew Marsland: Perhaps I could answer briefly.

Yes, we are actively thinking about working with Health Canada and the Public Health Agency, as is everyone else, to understand the trajectory of the current crisis. Each of the programs has a duration, whether it's 12 weeks for the wage subsidy or 16 weeks for the CERB. But we are actively examining what the evidence is, in consultation with the health experts, to understand how and when the economy starts and what the sequencing will be and the implications for all of the programs that the government has put in place.

The Chair: Okay. We will have to end it there.

I want to talk to committee members for a few minutes about the changes that are happening for next week. Before I do that, I want to sincerely thank the officials from the three departments for coming forward, also on behalf of Canadians and committee members.

I know that these are long days and that you're working under fairly strenuous conditions as we try to put the meat on the bones of the various policies that are being implemented and to improve upon them once they are in fact implemented. I want to sincerely thank each and every one of you for your efforts in that regard. Thank you, and thank you for coming.

For committee members, there have been changes. We have the two panels tomorrow, but because there are so many committees meeting now, along with the COVID whole House committee, and because technology can only handle two committees at once, we are now meeting next Tuesday—these are Ottawa time frames—from three o'clock to seven o'clock. That will give us two panels. The first panel is the one that we had to move over because we're only meeting once today. That would be manufacturing and construction. The second two-hour time slot is open.

Then we're meeting on Thursday, in the same time frame of 3 p.m. to 7 p.m. We have time slots for two panels there. I know the clerk has 42 requests to appear before the committee. Three of them have come off on today's meeting, but we need to make a decision on what we do next Tuesday and what we do next Thursday in terms of panels. I'll tell you what's left in the system, and there may be new ones proposed.

We haven't done the health care system, ensuring accountability or policy design. It has been suggested to me as well that we should be doing a panel on arts, culture and sport. Another suggestion was self-sufficiency and export opportunities, kind of looking to the future.

From what I'm seeing in Atlantic Canada—and Sean could speak to this as well, I'm sure—we're getting a lot of feedback from fishermen. Looking through the list of other committees, there is no place on other committees for actual fishers to go. The government has proposed a program for the fish processing side. I know it's been talked about, but there's nothing there that actually deals with the fishers themselves to any great extent. We might want to consider bringing them in early in the week, if we could, so that they have an opportunity to express their views to some committee in the House of Commons and have their views known out there.

Does somebody want to start? We have the first panel on manufacturing and construction. We could go to a second panel just by pulling some names off the list of those who want to go. I see Peter's hand is up.

Go ahead, Peter.

• (1555)

Mr. Peter Julian: Thanks very much, Wayne. I'm glad we're not interfering with the COVID committee coming right after that.

I think the scheduling is good. I would concur with you on manufacturing and on the sort of forgotten folks. The Congress of Aboriginal Peoples sent yet another request to appear before committee today, so they definitely need to be on for Tuesday. I would suggest CFS as well.

You talked about health care, and I would agree with that. On policy design, I'm not quite sure what you mean by that, but I would agree with art, culture and sports, and I would agree with fishers, both for next week and the following week. I need to know more about this policy design thing, but health care; art, culture and sports; and fishers present a good range for the next group of topics.

The Chair: That was in our first discussion back months or more ago. Somebody put in policy design as a panel. I'm not sure myself, to be honest with you.

What we could do then is this. On Tuesday, we have manufacturing and construction. I believe the Congress of Aboriginal Peoples is on the clerk's list of those who have requested to appear. Let's take our second panel to each of our parties and let them pull off who they see as a priority on that list. There really is not one national fishermen's organization. It's a different fishery on the west coast than on the east coast, so we need a couple of organizations to represent fishermen in that regard. We could go with eight in total, with six off of this list. Perhaps somebody has a suggestion for fishers in the west. Then we'll get one organization from the east. That would do the second panel on Tuesday.

Is that okay?

Go ahead, Peter.

• (1600)

Mr. Peter Julian: Sorry, Wayne.

I was suggesting that we have a separate panel on fishers, and a separate panel on arts, culture and sports on either Thursday or the following Tuesday. I don't think fishers should be shoehorned into the forgotten folks you're talking about for Tuesday night. I think they warrant a complete panel of two hours.

The Chair: Okay. We can do that for Thursday.

You're putting a thumbs-up, Elizabeth. You're okay with that.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): I think the fishing community.... I'm with Peter. I know I don't have a real say in this.

The Chair: You do.

Ms. Elizabeth May: They're going through a lot and the east coast issues and the west coast issues are quite different.

The Chair: Yes, go ahead, Pierre.

Hon. Pierre Poilievre: Wayne, I'm trying to understand the division of labour here. We now have all of the other committees up and running.

For example, if farm groups have something to say, is it more appropriate for them to say it before finance, or before the agriculture committee? If an industrial group has something to say, is it more appropriate for it to come to finance, or to the industry committee?

I'm wondering because there are huge organs of the state that report to this committee that haven't been heard from. They have really no other place to go. They have enormous impact on the financial well-being, or lack thereof, of Canadians. For example, the CMHC is now pumping tens of billions of dollars into the banks with very little discussion or accountability. Those are Canadian tax dollars that we may never get back. That can contribute to inequality on a massive scale, as we saw in the States when similar actions were taken in 2008-09. That's really finance. There's nowhere else to study that.

If we keep adding witnesses to the finance committee who also have their own policy committee to which they would normally testify, how are we dividing up labour among the committees?

The Chair: That in fact is why, up until now, we were pretty nearly the only place to go. I went through the committees that are up and running and there is nowhere for the fishery.... That committee is not operating. There is nowhere for them to go. That's why I suggested them. I think we're the only place in town for them to go.

I would agree with you. I think there's a lot on the industry side now, and that's where they should go. There are some on the farm side. Agriculture is going to be up and running next week as well. Some of these requests we have could be sent to other committees. On the fishermen, though, I don't see a slot for them.

Who would you see on the CMHC issue?

Hon. Pierre Poilievre: Definitely you want the CEO of CMHC. There's no question about that. We also have CPPIB, which manages \$400 billion for Canadians. That is an entity that reports to this committee.

We haven't heard from the Auditor General yet. There are gargantuan amounts of money that are being moved around among varied financial interests in this country with literally no public scrutiny whatsoever. We're not looking at any of those things. I just worry that we're going to end up doing every other committee's job without doing our own.

I know that for the AG, the CMHC CEO, someone from CPPIB, that's our core duty here.

• (1605)

The Chair: We don't know the schedule for the week after next. The whips have told us that our meeting slots are going to be different again that week.

Could we consider one panel on, for lack of a better phrase, strictly finance-related issues or witnesses?

Hon. Pierre Poilievre: Wayne, I had hoped we'd have more than one panel on finance.

The Chair: Yes, we will, but we certainly could.... We'd have to give CMHC more time too, probably, so let's see. Maybe we could have a four-hour session for strictly the areas we see as finance-related, like CMHC and CPPIB. There are other areas for sure. We've had the Bank of Canada—

Hon. Pierre Poilievre: There's the Auditor General.

The Chair: Yes, the Auditor General. Let's think about that and put a four-hour panel together from the parties for the week after next.

Next week we meet on Tuesday. We already have manufacturing and construction. Then each party can pull from the clerk's list of people who requested to appear for the second panel.

What do we want to do on Thursday?

Ms. Julie Dzerowicz: I'll put up my voice for arts, culture and sport, please. Whether it's next Thursday or the following Tuesday, I'm okay. I think fisheries was one of them, and that's a good suggestion. I also think that arts, culture and sport.... That committee is definitely not meeting, so this is a good spot for them to come.

Hon. Pierre Poilievre: Chair, is the heritage committee meeting?

Ms. Julie Dzerowicz: No.

The Chair: What's the acronym for the heritage committee? Does anybody know?

The ones that are meeting are industry or INDU, OGGO, HUMA, agriculture, and HESA or health. That's it.

Ms. Elizabeth May: There's PROC.

The Chair: PROC is meeting, but they don't—

Ms. Elizabeth May: They don't deal with sectors, yes.

The Chair: The indigenous committee is meeting as well, starting next week.

Ms. Julie Dzerowicz: Yes, but not the arts.

Hon. Pierre Poilievre: Is the indigenous committee meeting?

The Chair: Is INAN the indigenous one? I'm not sure of the acronyms, to be honest.

Ms. Julie Dzerowicz: It is—indigenous and northern affairs.

The Chair: Okay. They're meeting next Friday.

Hon. Pierre Poilievre: That's positive.

The Chair: Yes.

Go ahead, Marty.

Mr. Marty Morantz: I just want to put a placeholder in at some point, although I agree that we need to fulfill our core mandate, as Pierre said.

I have heard from a number of people in the charitable sector. It may be relevant to our committee because most of the rules by which the charitable sector runs are under the Income Tax Act. Could you add that to your list at some point as a placeholder? Maybe we'll get there. I'm not sure how long we'll be meeting on the COVID crisis.

The Chair: Okay.

We'll have Annie first, then James Cumming and then Peter.

Ms. Annie Koutrakis: I want to highlight the importance.... Whether it's the finance committee that does a panel or half a panel on the self-sufficiency piece....

I have heard from quite a few dentists, just to pick one professional order, in my riding and broader. Their concern is having enough PPE as they go back to work. It's a real concern. They're very worried for themselves, for their staff, for patients. Whether it's our committee that hears them or another, maybe there are opportunities for us to become self-sufficient and there's an opportunity to export to other areas, so let's learn from this experience. Whether it's at PROC, INDU or the finance committee, I think this merits a full discussion.

The Chair: We have the Canadian Dental Association tomorrow in the time slot from 4 p.m. to 6 p.m.

Go ahead, James and then Peter.

Mr. James Cumming: I absolutely agree with Pierre that, first and foremost, our role is to deal with issues related to finance, so that has my full support.

Many of the questions we hear from constituents and at this committee are directly related to the portfolio for the Minister of Small Business. I still think it would be worthwhile for us to hear from her on how those programs are being executed, because they have a big impact on finance and the economic activity in the country.

• (1610)

The Chair: Hearing that, I'm not sure if anybody can tell me at which committee the Minister of Small Business would normally appear.

Mr. James Cumming: She has appeared in front of the industry committee, but I think it would be worthwhile for us to hear her at the finance committee.

The Chair: Okay. I made note of that.

Peter Fragiskatos is next.

Mr. Peter Fragiskatos: Thanks, Mr. Chair.

I think it was Marty who made the point about the charitable sector. I see an opportunity for them during the session we have on arts, culture and sport. It perhaps makes sense to put them on that panel.

Ms. Julie Dzerowicz: I don't think so. I personally see it as separate, but—

Mr. Peter Fragiskatos: I think it would be the charity sector and not-for-profit sector, but I'm not sure how useful that would be. If we want to hear from music advocates or culture advocates or sport advocates, I think it makes sense to also include the needs, interests and concerns of those sectors within that large and rather general view. We could think of many examples of advocates that operate on a national stage, but that's just my view. I'm just trying to think of the most efficient way forward. I don't want to have us spinning our wheels.

The Chair: If we're still meeting on Tuesdays, we will wait until we get feedback from members about witnesses that are more related to finance issues. If we could get some feedback to the clerk fairly quickly on who they see as witnesses, then we will know how big our panels might be for a week and a half out.

With regard to the panel on Tuesday, which is basically the list that David has, we need people to pick their priorities off that list by tomorrow evening, because that Tuesday panel is not far away—

The Clerk of the Committee (Mr. David Gagnon): Mr. Chair, if the lists could come before that, it would be better for us. Then we could start sending invitations tomorrow, just to make sure we have witnesses. I know it is not a lot of notice for members to give me the list, but it would be better.

The Chair: We have a list to work from anyway, so that makes it easier. Members should just look at that list and put together their first six priorities from the list. Then, based on proportionality, the clerk can pull that together. Let's see if we can get that in first thing tomorrow morning.

Then what about next Thursday? We have two panels open there. What do we want to deal with? Even for those, we will have to have the list to the clerk by Sunday night.

We went through a number of areas. One was arts, culture and sports. Another was fisheries.

Peter, I'm missing one that you said that I didn't make note of.

Mr. Peter Fragiskatos: Are you talking to me or Peter Julian?

The Chair: It doesn't matter. It's both of you. It was Peter Julian I was thinking of, but what were you thinking of, Mr. Fragiskatos?

Mr. Peter Fragiskatos: I thought you were asking me about the point I raised on culture and sport, when I suggested that we include within that group a voice from the not-for-profit charity sector to talk about technical issues that they may wish to bring up.

I think it's very complementary and it would be very efficient to proceed in that way.

The Chair: On Elizabeth's point earlier, I think Peter said we would need a whole panel for fisheries. I don't know if we do.

I have dealt with the fisheries industry for quite a while and I know they have nowhere else to go, but there isn't really one national organization. If we had one witness from the west and one from the east, I think they'd be able to outline the issues. That would give room for others on the panel to bring up their issues.

• (1615)

Ms. Elizabeth May: Wayne, do you feel that on the east coast the fish processors are on the same page as the harvesters? On the west coast that would be an issue too.

Sorry, Peter. You put your hand up. You should go ahead.

The Chair: No. Elizabeth, go ahead and finish, and then we'll go to Peter.

Ms. Elizabeth May: You're right. There isn't one national voice for the fisheries. Whether it's a whole panel or not, it's more than two voices. That's my main point. In order to give them anything like a fair hearing, it will need more than one perspective from Atlantic Canada, and more than one perspective from the Pacific.

The Chair: Yes. The only thing is that if we have a whole panel on fisheries, coming back to Pierre's point, we're really doing the fisheries committee's work, but I know from hearing from fishermen as I have that there is nowhere else for them to go at the moment.

Peter Julian.

Mr. Peter Julian: Yes, Wayne, that's the point. We're supposed to be sitting regarding COVID-19. I certainly agree with Mr. Poilievre's point about bringing in CMHC and the Auditor General, but the reality is that this finance committee has been convened to deal with COVID-19 issues during this pandemic.

The fisheries industry has been impacted. There are some national organizations such as the Independent Fish Harvesters' Federation that represent both the east and west coasts, but there are a lot of fisheries organizations that have been hard hit because of issues around processing, of course, and issues around export. It's important to set aside two hours to hear from a number of different organizations, to talk about the impact that COVID-19 has had on the fisheries industries and solutions to help address the concerns of the fisheries communities.

We also talked about arts, culture and sports. You had raised health care, and I think that makes sense, but we really should be having this discussion at the steering committee level.

The Chair: I know we should. I guess we could probably do that, now that we have Zoom up and running. We could have a steering committee meeting next week for the week after, but I do think we have to decide now what we're doing next Thursday.

What day is the COVID-19 full panel meeting? We could probably find some time on Monday to look at the future from the steering committee. David, our clerk, could line up a time for us to meet as a steering committee on Monday, which would go to, say, the next couple of weeks, but I do think we need to make some decisions on next Thursday.

I might mention that the problem for the fishery, too, is that they are running out of time. With what's happening all across Quebec and on the east coast right now, do they fish or do they not? Do they trap lobster, or do they not? The market has shrunk. There is no policy in place at the moment to allow some people to stay off the water and others to fish, which would shrink the amount of product going into the marketplace. There's no sense fishing lobster if you're getting \$2 a pound, so that's a whole other urgent issue and I see no place for them to go.

Next Thursday, then, would we be okay to go with fisheries on the first panel?

An hon. member: Agreed.

The Chair: Okay, and I see Gabriel shaking his head.

What do you want to do on the second panel?

Ms. Julie Dzerowicz: I'd like arts and culture.

The Chair: James, what about you? I hear arts and culture.

Mr. James Cumming: Before we hit there, if we're going to get into a sectoral discussion, is the energy and resource committee going to be meeting?

An hon. member: No, I don't think so.

The Chair: Do you know what its acronym is?

Mr. James Cumming: I don't, but I would argue that if we're going to get into a sectoral discussion and we're talking about those sectors that have been impacted, the province that I come from has absolutely been impacted like no tomorrow. To think that we haven't had them in front of us to hear about what's going on in that sector, I would tell you, that has very great urgency.

The Chair: You won't get a disagreement from me. I hear about it from people in Alberta regularly, just because I know them, not because I chair the finance committee.

• (1620)

Mr. James Cumming: It's not just Alberta. I would argue it's much broader than that.

The Chair: It's Newfoundland as well.

Mr. James Cumming: Yes, absolutely.

The Chair: That's another panel, and it is an urgent matter.

James, I think that's a good steering panel discussion, because I would agree with you. At some point before very long, we need to bring in the energy sector from right across the country.

What do we do in the second panel next week? Do we want to go with arts, culture and sports?

Mr. Peter Fragiskatos: Yes, that's a good idea.

The Chair: Okay, that will do next week, and then could we have suggestions by first thing tomorrow morning? Get your list of requests to the clerk, and I'd ask each member to set out their priorities for that second panel on Tuesday. The first panel is manufacturing and construction. We already have those witnesses named.

The first panel on Thursday will be fisheries and fish harvesters. Fish harvesters and fish processors are what I'm looking for. The second panel is arts, culture and sports. We'll line up a meeting for sometime on Monday for the steering committee, and we'll have on that agenda all the other issues, the finance points that Pierre raised, the energy issue that James raised, and the ones that are left on this panel.

Marty, go ahead.

Mr. Marty Morantz: Just as a point of clarification, Mr. Chair, I would actually like to see us hearing from more witnesses in our core mandate earlier rather than later, as Pierre suggested. If it is to be the arts, culture and sports panel next Thursday afternoon, it was suggested that we could have some of the charitable sector as well. I'm wondering if that's still possible.

The Chair: It is possible. Rank your witnesses in order of priority in that regard and we'll have them on.

Mr. Marty Morantz: Okay, thank you.

The Chair: With that, Mr. Clerk, if you could try to line up a steering committee meeting on Monday, it would be a lot easier than doing it this way.

With that, don't forget to submit your list of witnesses first thing tomorrow, and then Sunday night the witnesses for the two panels for Thursday.

With that, we will see you all tomorrow for another four-hour meeting.

Thank you, all. The meeting is adjourned.

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