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# Standing Committee on Finance

EVIDENCE

**NUMBER 006**

Thursday, December 9, 2021

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Chair: Mr. Peter Fonseca





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Thursday, December 9, 2021

• (1540)

[English]

**The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)):** I call this meeting to order.

Members, just before we start, we had our fifth meeting earlier this morning and I should have asked you something. If we get to a round of questions where we're not going to be able to do the full round, would you provide me the flexibility to truncate it, so that every party has an opportunity in that last round? I'm just looking to the members. Is everybody in agreement? Terrific.

**Mr. Greg McLean (Calgary Centre, CPC):** Mr. Chair, if you can warn us ahead of time if our five minutes gets compressed to four and the other parties' time, potentially, to two.... Can you just let us know that before we start?

**The Chair:** Yes. I will do that, Mr. McLean. It's more when we have a hard stop when that would happen.

Welcome to meeting number six of the House of Commons Standing Committee on Finance. Pursuant to the House of Commons order of reference adopted on December 2, 2021, the committee is meeting to study Bill C-2, an Act to provide further support in response to COVID-19.

Today's meeting is taking place in a hybrid format, pursuant to the House order of November 25, 2021. Members are attending in person in the room and remotely using the Zoom application. The proceedings will be made available via the House of Commons website. Just so you are aware, the webcast will always show the person speaking, rather than the entire committee.

Today's meeting is also taking place in the webinar format. Webinars are for public committee meetings and are available only to members, their staff and witnesses. Members enter immediately as active participants. All functionalities for the active participants remain the same. Staff will be non-active participants and can, therefore, only view the meeting in gallery view.

I'd like to take this opportunity to remind all participants in this meeting that screenshots or taking photos of your screen is not permitted.

Given the ongoing pandemic situation and in light of the recommendations from the health authorities, as well as the directive of the Board of Internal Economy on October 19, 2021, to remain healthy and safe, all those attending the meeting in person are to maintain a two-metre physical distance and must wear a non-medical mask when circulating the room. It's highly recommended that the mask be worn at all times, including when seated. You must

maintain proper hand hygiene by using the provided hand sanitizer at the room entrance. As the chair, I'll be enforcing these measures for the duration of the meeting, and I thank members in advance for their co-operation.

To ensure an orderly meeting, I'd like to outline a few rules. Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have the choice at the bottom of your screen of either floor, English or French. If interpretation is lost, please inform me immediately and I will ensure interpretation is properly restored before resuming the proceedings.

The "raise hand" feature at the bottom of the screen can be used at any time if you wish to speak to or alert the chair.

For members participating in person, proceed as you usually would when the whole committee is meeting in person in a committee room. Keep in mind the Board of Internal Economy's guidelines for mask use and health protocols.

Before speaking, please wait until I recognize you by name. If you're on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer. When speaking, please speak slowly and clearly. When you're not speaking, your mike should be on mute. Remember that all comments by members and witnesses should be addressed through the chair. With regard to a speaking list, the committee clerk and I will do our very best to maintain a consolidated order of speaking for all members, whether they are participating virtually or in person.

To members and witnesses, when you have 30 seconds left in your questioning time, I'll signal you with this paper.

Now, it's my pleasure to be able to introduce our witnesses. We have with us, as an individual, Stephen Saretsky, a real estate businessman; from the Hotel Association of Canada, Susie Grynol, president and chief executive officer; from Income Security Advocacy Centre, Devorah Kobluk, senior policy analyst; and from the Union des Artistes, Sophie Prigent, *présidente*.

Witnesses, each entity will have up to five minutes to make opening remarks. Mr. Saretsky is not here yet, so we are going to start with the Hotel Association of Canada.

Ms. Susie Grynol, you have five minutes.

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

[Translation]

Thank you for inviting me to appear before you today.

[English]

My name is Susie Grynol. I'm the president and CEO of the Hotel Association of Canada. I am also the founder and co-chair of the Coalition of Hardest Hit Businesses, which represents over 120 different business associations in the tourism, hotel and event sectors.

COVID-19 has had a devastating impact on Canada's travel and hospitality sectors. It has hurt our businesses more than 9/11, SARS and the Great Depression combined.

The accommodation sector itself saw a 71% decline in revenue from April to November of 2020. Hotels located in Canada's major urban cores have been the hardest hit of the hardest hit, with occupancy rates averaging less than 17% over the last nine months of 2020.

Our sector has now lost the better part of two years of business, and we are at a breaking point. Government support to this date has been our lifeline, and I want to thank every member of this committee and your colleagues for working together to keep our sector alive. It's why we have an industry still standing here today, but without Bill C-2's tourism and hospitality recovery program for the coming winter and spring, there will be significant business failures and sizable job losses. As the rest of the economy recovers, the tourism industry continues to deal with variants, changing restrictions and capacity limits. Tourism remains the hardest hit, and it is not expected to recover to 2019 levels until 2025.

Small family-run businesses make up 99% of the tourism sector in Canada. Many people assume that hotels are owned by the recognized international brand on that hotel, but the reverse is true. For the hotels in your riding—and you probably know which ones they are—it's people in your riding who generally own these hotels. These are small business operators who have now spent all of their livelihoods and reserves trying to keep these assets afloat. They have taken on as much debt as they possibly can, and now they are on the brink of survival.

Major festivals, concerts, indigenous tourism experiences and business events have been cancelled. Events planned for 2022 are being reconsidered. Even immediate travel plans to Canada for Christmas or to come and ski over the winter are being called off due to new variants. Put simply, we are at a standstill.

Perhaps the most heartbreaking fact of all is that tourism lost 880,000 workers in the first two months of the pandemic. Today, we employ 350,000 fewer people than we did before the pandemic. With our slow recovery—compared to the rest of the economy—most of these workers have now permanently left our sector.

According to our June survey of the Coalition of Hardest Hit Businesses, 60% said they will go out of business without an extension of government relief programs through the winter of 2022. Simply put, if Bill C-2 doesn't pass, we could lose the infrastructure that supports our events businesses in Canada, the unique local attractions that enhance our visitor experience and the hotels and event spaces that anchor the travel sector.

We are grateful that all parties offered support to our sector during the election campaign. Every party committed support to our sector. Bill C-2 accomplishes the key goal of providing support to only the hardest hit of the hardest-hit businesses in order to keep them alive. This is an investment in a sector that will come back with a vengeance if given the opportunity. It will also help keep people in the workforce who otherwise would be laid off, many of whom are Canada's most vulnerable—women, young people and immigrants.

We are recommending the swift passage of this bill today, without amendments. Tourism and accommodation businesses must have immediate access to liquidity to get through the winter. Passing Bill C-2 in its current form will save thousands of businesses and jobs.

Travel will resume with a vengeance. Of this, we are certain. With the passage of this bill, we will have an industry still standing on the other side of this pandemic, and we cannot wait to welcome the world back to Canada.

I urge all members of this committee to vote in favour of this bill and pass it without delay. Our survival depends on it.

Thank you.

● (1545)

**The Chair:** Thank you, Ms. Grynol. You're right on time.

Now we have Mr. Stephen Saretsky, as an individual.

**Mr. Stephen Saretsky (As an Individual):** Yes, I was sort of brought into the—

**The Chair:** Mr. Saretsky, could you could bring your microphone closer to your mouth? Not too close, but at least.... Yes, go ahead.

**Mr. Stephen Saretsky:** Will this be okay?

**The Chair:** It might be your mike input volume. Can you look to increase that? We cannot hear you very well.

**Mr. Stephen Saretsky:** How's that? Is that better?

**The Chair:** Yes, that is much better.

Okay, can you hold it there and provide your remarks? You'll have five minutes.

If there is any other issue with your mike, we'll let you know. Thank you.

• (1550)

**Mr. Stephen Saretsky:** Okay, for sure. I can't speak too specifically on the tourist sector, the tourism segment. Obviously you guys are still facing different variants and lockdowns and whatnot and restrictions. That's certainly impacting the travel sector.

I am very active in the real estate space, so I'm speaking with people in the real estate space on a daily basis—tons of Canadians. That's where I'd probably focus my attention, but I think we're dealing with certainly some of the ramifications of the spending that's coming through. There are always knock-on effects, and I think that we have to be cognizant of those knock-on effects. Certainly we're seeing those showing up in the housing sector. National home prices are running at 22% year over year, back to back. In 2020, we had record home sales. In 2021, we're going to have another year of record home sales, so I think what we're seeing is that some of these excesses are sloshing around.

I think it's important. Obviously the bill is certainly needed in that there are sectors or segments of the economy that need help, like transportation and hospitality. As I said, I think it's dialing in those flows and making sure we're not overcompensating. That would be my only real commentary. Overcompensation, I think, is showing up in asset prices and particularly in the housing market. I think there's a crisis right now in that segment. That's where I'd focus.

I don't know if anyone has any particular questions on that aspect, but I'm certainly happy to comment on that further.

**The Chair:** Mr. Saretsky, is that your opening statement?

**Mr. Stephen Saretsky:** Yes.

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

We're moving now to the Income Security Advocacy Centre and Devorah Kobluk for five minutes.

**Ms. Devorah Kobluk (Senior Policy Analyst, Income Security Advocacy Centre):** Thank you. Can I first confirm that you can hear me well?

**The Chair:** We can, I think. I'll look around. Yes, we have thumbs up.

**Ms. Devorah Kobluk:** Thank you.

My name is Devorah Kobluk and I'm a senior policy analyst at the Income Security Advocacy Centre. ISAC is a specialty legal clinic funded by Legal Aid Ontario. Our mandate is to advance the rights and interests of low-income Ontarians with respect to income security and employment. We carry out our mandate through test case litigation, policy advocacy, community development and public education.

Thank you for the opportunity to speak to Bill C-2. We are pleased to see an extension of the Canada sickness and caregiver benefits, but we have some concerns. First, the new Canada worker lockdown benefit offers an inadequate rate of \$300 per week and is inaccessible since no region in Canada currently meets the lockdown requirement. Workers continue to experience the fallout from COVID-19, and this bill offers next to nothing moving forward. We recommend retroactively extending the Canada recovery benefit at its original \$500 rate until the economy fully stabilizes and the impacts of the omicron variant are clear.

ISAC is also very concerned that there are no provisions in Bill C-2 to address the ongoing crisis for low-income seniors. In early August we were flooded with calls in the legal clinic system from seniors who had suddenly seen their GIS reduced or eliminated in 2021 because they accessed the CERB in 2020. The confusion and panic that began over four months ago have not subsided. The situation for these seniors is desperate.

We understand the CERB was developed rapidly when the pandemic hit and the goal was to get money out the door quickly. What we do not understand is why this bill does not seize the opportunity to correct unintended consequences of CERB/GIS interactions.

This government knew of these interactions as early as May 2020 and stated last month that there issues of fairness and equity to consider before addressing concerns. What is fair and equitable about clawing back a poverty-reduction tool, the GIS, during the unusual years of a pandemic?

The seniors impacted are the poorest seniors in Canada. They supplement their below-poverty GIS income with part-time work to make ends meet. At an age when one hopes to not have to work, these seniors work. When the pandemic hit, like everyone else they accessed CERB because of job losses and so, as a high-risk population, they could isolate and stay safe. They were not informed of possible consequences to their GIS.

Further, a loss of GIS disproportionately impacts women and older, indigenous and racialized seniors. At the end of July, these were the seniors who lost up to \$600 of their monthly income, or sometimes more, with no warning.

Among those impacted is a 68-year-old senior in Ottawa who worked as a self-employed dog walker prior to the pandemic. The pandemic caused her small business to completely collapse. She used CERB to supplement her lost income and to pay for groceries, personal protective equipment and taxis to medical appointments. The avalanche of unintended consequences has been devastating. She is now trying to survive on approximately \$650 per month. Her rent has increased because her rent geared to income was recalculated while she received CERB. She may have to leave her home of over 14 years. She has lost her Trillium drug program benefit that helped her pay for medication, and she is being asked to wait until July 2022 for this situation to be corrected. She will not make it.

As it is for other seniors in her position, with every passing month it is becoming harder to pay for rent, for food when prices are rising, for transportation and for medical supplies. The risk of homelessness increases.

The minimal recourse available to individual seniors is confusing and slow, and it offers no guarantees. A lawyer in our clinic system in Thunder Bay was told by Service Canada that there would be no reassessment for 2021.

In another situation, a Toronto MP's office contacted both the CRA and Service Canada on behalf of a senior constituent only to be told that nothing could be done. That senior was given a list of nearby food banks. We need a systemic solution.

We now know that over 88,000 seniors are impacted. We know that the \$438 million needed to fix this problem was already earmarked in the budget. This government can and must fix this problem for the most vulnerable seniors now.

ISAC has reached out to several ministers and to the Prime Minister and has received no response. We wrote an open letter at the end of October, which was signed by 106 anti-poverty community and seniors advocacy organizations from across the country, asking that the government, first, exclude CERB from the calculation of income and recalculate the GIS benefits for 2020-21 and, second, retroactively return the lost benefits and apply the readjusted benefit amount for the duration of the 2021-22 year.

Today I urge the Standing Committee on Finance to amend Bill C-2 to include these provisions and further to also exclude the CRB from calculation of income with regard to the GIS so that this problem does not continue into 2023. Failure to do so will only guarantee ongoing cruelty towards the country's poorest seniors.

Thank you.

● (1555)

**The Chair:** Thank you, Ms. Kobluk.

Now we will move to l'Union des Artistes for five minutes, with Sophie Prigent, the president.

Sophie.

[*Translation*]

**Ms. Sophie Prigent (President, Union des Artistes):** Good afternoon, Mr. Chair.

Thank you so much for inviting me and giving me the opportunity to talk to you about the French-speaking cultural sector.

Who are we at the Union des artistes? First, the Union des artistes was founded in 1937. We are very proud that our union is a very old one. It is recognized by our governments and it represents dancers, singers, animators and actors. In any given year, we have 13,000 members, including affiliated and active members, of course.

Who has been most affected by the pandemic since March 2020? You probably know that the audiovisual sector got back on track relatively quickly in August 2020. So our members had six extremely difficult months. However, the sector most affected, as all unions and associations can tell you, was the performing arts. By that we mean dancers, stage actors, musicians, singer-songwriters, and so on. In a word, these are people who do not do audiovisual work. They are not in film, television or commercials. In normal times, these are the less well paid members, those in the Union des artistes who probably do not make much of a living. Then the pandemic came along and made that situation worse.

To give you an idea of our reality, before the pandemic, the audiovisual sector represented 53% of our members' income. Now it represents 67% of our income. Conversely, the performing arts represented 18% of our members' income in 2019, while the figure now is 7.5%. This is to say that those who used to make their living in the performing arts are now having difficulty doing so. Still today, the sector is not completely operational. When we compare 2021 to 2019, the performing arts sector is operating at 53% of its normal level.

So the audiovisual sector is operating very well, even better than normal, because there is some catch-up to do. Some shows did not go on the air in 2019 because of the pandemic. Those productions are back on track. However, that is not the case for the stage. Even though theatres have opened their doors again, it is simply not true that they are operating as well as they did before the pandemic. Generally, casts are smaller and fewer people are in the audiences, still today. So those who were the most vulnerable before the pandemic have become even more vulnerable after the pandemic.

I would like to tell you about our members' psychological stress. I may say "our members" but it's broader than that. In January, February and March 2020, we conducted a survey with nine cultural associations of authors, musicians, television directors, dancers, singers, performers, and so on. I don't want to inundate you with numbers, that would not help at all. But I just want to share with you four statistics that affect, not just the members of the Union des artistes, but artists in general.

From the 26,000 artists and cultural workers surveyed, 63% of the respondents are experiencing high levels of psychological stress, 43.3% of them are showing symptoms of major depression, and 41% of them have considered or are still considering giving up their careers. In addition, income levels are so low that the number of artists who have to hold more than one job doubled during the pandemic.

Of course, the Canada recovery benefit, the CRB, was effective in meeting an urgent need. It was urgent because, basically, we do not contribute to employment insurance, so we cannot use its benefits. Now, the CRB is no more.

● (1600)

An emergency benefit must absolutely be introduced on a permanent, long-term basis. At the moment, there must be an emergency benefit that will compensate for the end of the CRB, which was abolished a few weeks ago.

Thank you.

**The Chair:** Thank you, Ms. Prigent.

[English]

Witnesses and members, we are moving into our rounds of questions now.

We'll start with the first round, with the Conservatives.

Mr. McLean is up for six minutes.

**Mr. Greg McLean:** Thank you, Mr. Chair.

I would like to hear more. First of all, thanks to all the witnesses today for your excellent presentations.

Ms. Grynol, you touched on it a bit, but I think it requires some more explanation about how the actual cost structure of hotels is divided between the building owners, the building operators, the franchisees and franchisors. Could you explain that to us, so you can show exactly where the costs are continuing and where the revenues are not flowing in this period?

It would be instructive for this committee.

**Ms. Susie Grynol:** It would be my pleasure.

In the hotel industry—the hotels that would be in all of your ridings—there's a misconception that this is a franchise model. The brands that you might see on those hotels don't actually own those assets. If that asset is generating revenue, they would take a percentage fee. It's a service arrangement, where they would take a percentage fee on top of what the asset would be making.

No one's making money during COVID, so, effectively, those brands—it's really a marketing agreement—that sit above those assets are stagnant. If you go down to the asset level, and you're now looking at the people in your community who own those assets, you probably know a lot of them and who they are. They have invested their livelihood into the local hotel. They purchased that hotel and that hotel is expensive. It's a large asset.

Over the course of COVID they've had to keep the lights on. You can't just shut a hotel down. You need to have insurance, you need to keep the lights on, you need to have maintenance and you need

to have a core set of employees. Fixed costs have been the single biggest challenge for these operators, because there has not been enough money coming in the door over this sustained, 19-month period to pay for these assets.

The CERB program, which didn't include hotels originally, but did in the second iteration, has provided a percentage of support. There are still losses every month, but that's critical. The other piece is, obviously, our employees, who are the lifeblood of this industry. The wage subsidy program has been absolutely instrumental.

To be very clear, every single month, most of these properties are running a loss, which is why we are so deeply concerned about this winter period until the spring.

● (1605)

**Mr. Greg McLean:** When you talk about fixed costs, can you illustrate for us which of those fixed costs would include something like municipal taxes?

**Ms. Susie Grynol:** The tax is included in fixed costs. It's anything that you have to pay on an every-month basis. That's your tax, insurance, maintenance and lights. If you are operating at a very low basis, that's your food that you have to bring in. They're the costs that are non-negotiable. They're your non-variable costs that you have to pay, regardless of what is going on in the external environment.

**Mr. Greg McLean:** What I'm trying to arrive at here is that municipal taxes don't go down just because your revenue goes down—because it's a fixed asset at the end of the day.

**Ms. Susie Grynol:** That is correct.

**Mr. Greg McLean:** What percentage of your costs has that become?

**Ms. Susie Grynol:** Do you mean tax?

**Mr. Greg McLean:** Municipal tax.

**Ms. Susie Grynol:** Municipal tax. I would have to come back to the committee with something more specific on that as a percentage of fixed costs. I will do that following this appointment.

**Mr. Greg McLean:** Needless to say, if you had to go out of business, those municipal taxes would be zero for quite some time on that asset.

**Ms. Susie Grynol:** Yes, absolutely.

**Mr. Greg McLean:** Good. Thank you very much.

**Ms. Susie Grynol:** The fixed costs also include mortgages.

**Mr. Greg McLean:** I'll move to Mr. Saretsky now.

Mr. Saretsky, you talked about the overcompensation of real estate markets based on the government's stimulus measures. Can you extrapolate on that, please, and expand on what you mean? How much has that caused the overvaluation and overpricing of real estate in Canada?

**Mr. Stephen Saretsky:** Obviously, when you go through recessions, typically... I think at the onset of the pandemic, everyone was talking Great Depression. Certainly nobody wants that. What ended up happening was that certainly it was rushed out the door, and probably rightfully so, but in the second quarter of 2020, labour income declined by about \$20 billion nationally. At the same time, government transfers to households grew by over \$70 billion. Basically, three dollars went out the door for every one dollar lost in income.

What happens is that you have a situation where in a recession, for example, typically you'd see a decline in consumer demand. But that was kind of offset by government transfers while businesses reacted by obviously shutting the doors, thinking the worst was coming. So what you have is basically too much demand out there, because it was supported by government to households.

Again, I'm not saying that's the wrong decision to make, but now we're starting to see that obviously in consumer price inflation. Consumer price inflation expectations right now in Canada are running at a 20-year high. Half of businesses next year are expecting to raise prices by 5%—

**Mr. Greg McLean:** I'm sorry, Mr. Saretsky, but I'm running out of time here. Your expertise is in real estate. The inflation caused in real estate assets has been quite severe.

**Mr. Stephen Saretsky:** Yes.

**Mr. Greg McLean:** What would you say about an extra \$9 billion coming into the system? Would that inflate prices even further?

**Mr. Stephen Saretsky:** I think it definitely has the potential. I think for every action there's a reaction. I think what we're seeing is that the bulk of the credit creation is going into the housing market. You can see that consumer loan growth, residential mortgage loan growth, is running at decade highs, 10-year highs. If you look at—

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

We're now moving over to the Liberals.

Ms. Dzerowicz, you have six minutes.

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

I want to say a genuine thanks to all of our presenters for their presentations and their introductions today.

I'll start off with you, Ms. Grymol. It's nice to see you. Thanks for coming back. You've been a very reliable witness and a very big champion, I think, for those industries that have been hardest hit.

I just want to reiterate that you're wearing two hats. One, you're representing the Hotel Association of Canada. You're also representing a consortium of those organizations and businesses that are also the hardest hit. Do I understand that correctly?

• (1610)

**Ms. Susie Grymol:** That's correct.

**Ms. Julie Dzerowicz:** Perfect.

With your hat on for the Hotel Association of Canada, you talked a little bit about how you're quite anxious to see this bill get through as soon as possible. If we were to delay the passing of this bill until after Christmas, could you elaborate a little bit more clearly

ly on what the impact would be on your hotel stakeholders if we waited to implement this bill?

**Ms. Susie Grymol:** Sure. The survey we did, both of the hotel industry and the Coalition of Hardest Hit Businesses, revealed a very similar result. In our case, 70% of hotels would go out of business in this country permanently if there were not more support. That was prior to this program being introduced.

If this bill doesn't pass, there will be a disruption in the subsidy applications. At the end of this month, operators will go to access the subsidies, which I discussed in the previous question, to cover those fixed costs and they will not be available to them. We don't know how long it will take by the time the House comes back in January to be able to look at this bill. Are there going to be amendments? It could be anywhere from one to four months. If that happens, we will see a collapse in the sector. We will see significant business failures if there is an interruption of the subsidies that are the lifeline for this sector today.

**Ms. Julie Dzerowicz:** Thank you for that.

You also talked a little bit about the workers within the hotel industry. Can you explain a little bit more about who those workers are and how they will be impacted if this bill does not pass before Christmas?

**Ms. Susie Grymol:** Our workers are the lifeblood of this industry. To be clear, we have lost a lot of workers who have permanently moved on to other sectors, but we have maintained as many as we possibly could through the generous support of the government with the wage subsidy program. Those workers' jobs are absolutely in peril. If there are no businesses, there are no jobs.

We are desperately trying to keep the businesses afloat and desperately trying to keep as many as we can of our long-standing employees, whose hearts are in hospitality and who have spent their lives building their skills and experience. Here I'm talking about at all levels, from senior levels right down. We are the industry of first Canadian jobbers and new Canadians and immigrants. Most of Canada's vulnerable workers are employed in the tourism and hospitality sectors. They are who is at risk here. We are desperately trying to keep them employed.

**Ms. Julie Dzerowicz:** That's perfect. That's very helpful.

In terms of your HAC, for the hardest-hit industries and the hardest-hit business recovery program, if you actually go through the legislation, you'll see a substantial list of which organizations and the types of activities they offer would be eligible for this recovery program. Do you agree with the list that has been created? Also, were you consulted in the process?



**Ms. Susie Grynol:** Yes, we were consulted in the process. We've been working very closely with government and with officials on the creation of that list. Ultimately, it's the government's decision on who gets in there. We felt that list was generous at the end of the day, and we have no concerns on who was included in that list at this stage.

**Ms. Julie Dzerowicz:** Okay. That's perfect. Thank you.

I have one other question. One of the key aspects of the legislation as well is the enhancement and extension of the Canada recovery hiring program. Is that program helpful, whether within the hotel association sector or the hardest-hit business recovery program? How important is that program? Is it helpful that we are enhancing and extending it?

**Ms. Susie Grynol:** It is helpful, but I will say that the timing is a bit misaligned with where we are today. That program will be more helpful to us in the spring. We do hope that the government will consider extending that program into the spring when we are hiring people back. We're in our off-season today, so we're trying to maintain as many workers as we can, but there's not enough demand today to hire back all of our workers that we would have in the spring and summer period.

It is an important program. It's hugely important for sectors of the economy that are in a hiring phase at the moment, but that's not where we are today.

• (1615)

**Ms. Julie Dzerowicz:** I want to point out, too, because I think your comment is very important, that the program would be extended through to May 7, 2022—so when the spring has begun—and we have the authority, if the legislation passes, to extend the regulation until July 2, so I do think it would meet the criteria as you're indicating right now.

Thank you so much for that.

**Ms. Susie Grynol:** It's my pleasure, and we do hope for that extension.

Thank you.

**The Chair:** Thank you.

We are moving now to the Bloc and Monsieur Lemire.

[*Translation*]

**Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ):** Thank you, Mr. Chair.

I am honoured to be able to talk to Sophie Prigent, the president of the Union des artistes. I had an opportunity to meet her briefly at the Juripop legal clinic. I would be remiss not to highlight all her activities in the area of sexual violence and assistance to victims. She has played an essential leadership role in our society. So I am delighted to see her here today, despite the unfortunate and difficult situation in which artists find themselves.

Thank you once more for continuing that involvement, Ms. Prigent.

My first question is very simple. If Bill C-2 contains nothing for the cultural sector, what consequences will that have for culture?

The word despair has been used and we know that people are hesitant in buying tickets for shows.

Why do you think that self-employed workers in the cultural sector are not included in Bill C-2?

**Ms. Sophie Prigent:** It's quite difficult for me to answer your question because I cannot talk to you about other sectors. I cannot talk about self-employed workers in general. I can only talk to you about the freelancers who are part of the whole cultural sector.

You have to understand that the performing arts act as an incubator for the future of culture. Let me explain: these are young artists who do no audiovisual work and so who are generally not well-known enough to do film, television or commercials. Their careers very often start in the street. These are artists who create stage works and create their own jobs up until the point when somebody takes a chance and employs them, hires them. Generally, the greatest careers are born on francophone stages, which is why I talk about an incubator.

The same goes for musicians. The tragedy today is that musicians are working for the love of it, because there's no money for them. It's not how they earn their living, they do something else. What will happen come the day when they no longer make a penny that way? No one will be there to take their place. Personally, I am concerned for the people who are struggling to make a living. But first and foremost, I am concerned for the culture of tomorrow, the culture that we are working on today and that will not be there in 10 years because the people in it now have decided to do something else in order to earn a living.

Will it become just a big hobby or do we consider that culture is important enough for us as a people to look out for it and help it back onto its feet after the pandemic?

**Mr. Sébastien Lemire:** You paint a very eloquent picture when you talk about working at two jobs, about the consequences on people's psychological state, and about the danger of losing expertise in the area.

The Minister of Finance has committed to work very hard for programs to be released in a time frame that the people involved find acceptable.

What time frame would be acceptable to you, given that the CRB has ended?

**Ms. Sophie Prigent:** To be perfectly honest, there ideally should have been no delay between the CRB and the new measures. The hiatus that we are currently in concerns me greatly because I know that there is no support. This means people will leave. There is an exodus from the sector because everyone has to earn a living, pay their rent and feed their children. I would like to give you a date, but I don't have one. If I were to give you one, I would probably tell you that it should have been done yesterday. To be positive about it, I can only say the sooner the better and that the need is great. I really don't know what to tell you apart from that.

Basically, it is going to take a permanent measure that looks like employment insurance, targeted to the self-employed workers, the freelancers, in the cultural sector. From a technical point of view, I know that it is all very difficult to get going. So something is needed while we wait. People can't just be thrown into the void; that's inconceivable. The impact will be serious and will be felt for a long time.

• (1620)

**Mr. Sébastien Lemire:** One of the solutions that the Government of Québec favours is to work through the Fondation des artistes and set up a fund that, first and foremost, would identify the artists, connect with them, and then pay out money quickly. About 2,300 requests have been handled through that fund, financed by Québec.

Do you feel that working through the Fondation would be an acceptable approach for the federal government at the moment?

**Ms. Sophie Prigent:** I have been saying that since the crisis started. The Fondation is already organized, it's already in operation, the approach has been tested and there is an accountability mechanism. The foundation has been in existence for more than 35 years. Five million dollars have gone through the foundation. That money does not appear in our financial statements as donations but as grants. So it's not a donation to our members or to any artist. I make that clarification because it must be understood that the mission of the Fondation is not to help the members of the Union des artistes, but to help artists in general.

That could be a quick and effective measure that could well fill the terrible void that currently exists. Of course, we are always going to have the dream of a permanent measure in due course. But, as we wait, it's the best way to get moving quickly, in my opinion.

**Mr. Sébastien Lemire:** The urgency of the situation in which the industry finds itself has to be understood. This is a matter of survival.

Thank you for your commitment, Ms. Prigent.

**Ms. Sophie Prigent:** Thank you for listening.

**The Chair:** Thank you.

[English]

We are moving to the NDP and Mr. Blaikie for six minutes.

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

Ms. Kobluk, I want to thank you for putting an emphasis on the sense of urgency there is to try to settle the question of these benefit clawbacks that are happening. It's not only with the GIS; we're learning as times goes on that it's happening with other income-tested benefits, like the Canada child benefit and the Canada workers benefit as well.

The government has been saying for some time now that they're working on a solution. They haven't actually announced anything yet. Provided that they are getting close—they keep saying they're close, but we don't actually get a solution announced....

I'm wondering if you could provide a sense of when you talk about a systemic solution.... For a while, the government had been

talking about people applying on a case-by-case basis for re-evaluation of their income for the next year's projected income. If there is going to be a systemic solution, to what extent should the onus be on the individuals affected to make an application of some kind in order to have their case reassessed?

Alternatively, does a systemic solution mean that the department should be conducting these reassessments for income-tested benefits and contacting affected people to let them know that they've been reassessed and can expect to have their benefit restored?

**Ms. Devorah Kobluk:** Yes. Thank you for that question.

The minister said it this morning in committee. I think it has to be on the onus of the government. I work with lawyers. They've looked at the avenues that are available. What we see is that if they apply through the CRA, the appeal mechanism is ultimately through income tax court, which requires a tremendous amount of resources and which no senior who is already living on the poverty line is going to access.

If they go through Service Canada, it's like I said: One person said that we're not getting clear directives even when people call in. It's confusing, and it will take a long time. It's not something that's going to happen overnight, so this has to come from the government.

Even though we've heard from many seniors, the other thing I want to say is that these are the seniors that make it to legal aid. There is a whole ton of seniors that we are not learning about and who don't even know that they might have a right to appeal. The government has known about this for over a year, and they should be using what mechanisms they can to alleviate poverty, which is what the GIS is meant to do.

**Mr. Daniel Blaikie:** Thank you.

I want to touch on another pressure point for a lot of folks who are living below the poverty line, which is the demand for CERB repayment from folks who applied because they were told to do it if they needed help and told that they were not going to be punished.

I raised earlier today the example of kids in Manitoba who graduated out of foster care during the pandemic, but there are people from many walks of life who were already in poverty who were pushed toward the CERB—in some cases, by government members.

I'm just wondering if you can you speak to the impact that's having and also to how much revenue the government could realistically expect to get by putting the heat on these folks who are already in financial distress.

• (1625)

**Ms. Devorah Kobluk:** Thank you for that.

ISAC has also supported the CERB amnesty campaign. There are many situations across the country, but the one we are most familiar with is social assistance recipients who were actually advised by their caseworkers and the legislation that you have to seek all forms of income support possible. If you're on \$700 a month, if that's your paycheque—\$733 a month—and you are now being told that you have to pay back \$14,000....

I think what we're hearing from the government is “we'll do flexible repayment plans”. Do the math on that. For how many years—and I mean years—is this person going to be paying \$50 a month? When you live on so little, that's the difference between groceries right now and not having groceries. I don't know where they're going to.... My mother would say it's getting blood out of a stone, right? That \$50 means more to them than the government, I think.

These were not ill-intentioned people. These are not the fraudsters. These are people just getting by, and we've seen the rising costs.

I also want to say that whenever you're dealing with low-income people and things are shuttered because of lockdowns, those free services are gone, so they need extra money for the drop-in centres and for transit that they may have not been able to get onto if they have a disability and were at risk. This is part of the increased costs of the pandemic that I think we're maybe forgetting and already normalizing.

**Mr. Daniel Blaikie:** I'm glad you mentioned the question of fraud, because it obviously has come up a lot here. In respect of the CERB, we know that there were fraudsters who are reported to have gone into seniors buildings, told people they were eligible when they weren't and said that they would facilitate access to the benefit in exchange for a cut of what they were receiving.

I mean, not all of the fraud is by individuals who have received all of the money. In some cases, they were people whose identities were stolen by fraudsters.

I wonder if you want to speak a bit to the nature of the CERB fraud that we should really be concerned about in terms of whom we should be going after and whom we need to recognize as victims of fraud, which is being compounded by the government chasing this debt.

**Ms. Devorah Kobluk:** What you've just described to me is elder abuse, right?

**Mr. Daniel Blaikie:** Yes.

**Ms. Devorah Kobluk:** It feeds off the confusion of a senior. We have to remember that this was a confusing, unclear process from the government. The CERB changed many times. The government should not be assuming that such people, who were confused and were just trying to make it, are going to be the fraudsters. I know that—

**The Chair:** Thank you, Ms. Kobluk. That's the end of your time.

We are moving into our second round, members. We have the Conservatives with Mr. Poilievre up for five minutes.

**Hon. Pierre Poilievre (Carleton, CPC):** It's Mr. Stewart.

**The Chair:** It's Mr. Stewart. I'm sorry.

**Mr. Jake Stewart (Miramichi—Grand Lake, CPC):** That's okay. Thank you, Mr. Chair.

The first question is to the Hotel Association of Canada. In my riding of Miramichi—Grand Lake, and the greater region, we are well known for our hospitality. I come from the salmon fishing hospitality world, so I have a great appreciation for the work that you do.

I'd say that our east coast hospitality is known around the world, but in saying that, I'm hearing from your members that they were being negatively impacted by the CERB program. I've heard from countless people who operate hotels that they can't find people to work. The jobs I hear about most frequently are for housekeepers, banquet staff and the front desk.

If you can't travel, if you're not permitted to travel or if there's a fear of travelling.... I understand how hard the hotel industry has been hit. That's only common sense, considering the global pandemic.

Can you tell me how the program negatively impacted your ability to hire, retain and recruit staff?

**Ms. Susie Grynol:** Sure. Thank you for the question.

The labour challenges that our sector was facing, even before the pandemic, were reaching the point of crisis. This is because demand to visit Canada and regions like yours.... Canada has become one of the most desirable places in the world to visit, so we were already struggling to find enough workers.

There's a global phenomenon here, where there aren't enough workers to support our economy into the recovery. That was exacerbated during COVID. We have been struggling to keep our doors open, but we did see some domestic recovery this summer in some regions like yours. From the calls that I got all summer long, we couldn't find enough workers. People don't want to come back. I will say that one of the issues that was voiced to me on countless occasions is that the CERB program was encouraging people to stay home, as opposed to coming back to work.

I appreciate that the CERB program was important and critical for a lot of individuals, including some of the witnesses here today, but it impacted our ability to attract workers back this summer.

● (1630)

**Mr. Jake Stewart:** I appreciate that. That's kind of what we were learning locally as well.

One of the loopholes we've seen in the bill—any bill that any government is putting forth is not always bulletproof—was the paid sick leave and how you don't need doctors' notes. It's loosey-goosey. Anybody could say they're sick and achieve the benefits, which would be another hindrance to the Hotel Association.

The industry can't fill the previously mentioned positions sometimes, because a large number of hotels are turning to the temporary foreign worker program, only to find out that Immigration, Refugees and Citizenship Canada can't process these files in a reasonable timeframe, considering the well-known crisis that you already alluded to that exists in your industry. I just wanted to verify that, because I understand how the pandemic must have affected the hotel industry overall in Canada.

I appreciate your answer, and I have one question now for Mr. Saretsky. We've heard that Canada's real estate has gone up so much that the Canadian public is basically all but expected at this point—although it's not the best practice—to remortgage their homes and use that equity to pay for food, gas and utilities in an already unaffordable Canada, due to inflation and Liberal mismanagement. However, to turn around and give the businesses money to pay their bills....

Why can't the businesses take the equity out of their buildings and pay the bills the way that the rest of Canada has to in this climate?

**Mr. Stephen Saretsky:** I can't speak too specifically on the businesses, but if you look at where the banks are lending money and where the credit growth is, it's all in the residential mortgage space. As I said, residential mortgage credit growth is running at a 10-year high and that's obviously inflating house prices. If you look at business credit growth, it's basically stagnant.

Maybe the banks are looking at it and saying there's risk in refinancing a business for them to go and spend on capex, for example. I think it's probably just a risk thing for the bank.

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

We're moving now to the Liberals for five minutes.

Mr. Baker, you have the floor.

**Mr. Yvan Baker (Etobicoke Centre, Lib.):** Thanks so much.

Thank you to all the witnesses for being here today.

Just before asking my question, I want to continue on the subject that Mr. Stewart was just asking about. I think it's important also to remember for broader context, and I think this was mentioned in the response to his question, that the labour challenges existed before the COVID pandemic began for a range of reasons. These presumably vary in different parts of the country and for different providers in the tourism sector. One of the key challenges, based on the reading I've done and The Economists I've read from, and also from what I've heard from my constituents in Etobicoke Centre who run businesses, is that the labour shortage is to a great degree driven by the fact that during the pandemic we had very little immigration. That has affected the labour force, not just in tourism but across all sectors. I think that's really important to remember.

I also think it's important to remember that Bill C-2, which is what we're here to discuss, is a pivot, as the finance minister spoke about this morning. The pivot is designed to really provide targeted support for those enterprises and those individuals who need it most. That's one of the key reasons for that pivot.

To the tourism association, when you look back, if the government hadn't put in place the previous support programs, such as the emergency wage subsidy, what would have happened? I apologize; it's not the tourism association but the hotel association.

• (1635)

**Ms. Susie Grynol:** We simply wouldn't have an industry standing today. We would have lost the anchor businesses in this sector. Here I'm talking about the hotels, the convention centres and the attractions. We would have lost hundreds of thousands of tourism operators who provide those Canadian experiences, not to mention the indigenous experiences we have across this country. We would have lost significant infrastructure in the travel infrastructure space, in the fleets of RVs and buses going back and forth. In our air sector we would have had a collapse had it not been for the support.

The reason Bill C-2 is so important is that we are so on that brink of collapse in our off-season with growing travel restrictions around us. Our goal here is to preserve the core anchor businesses within the sector so that we have the infrastructure standing on the other side to allow the sectors to build back.

**Mr. Yvan Baker:** Thank you for that.

Chair, how much time do I have?

**The Chair:** You have two minutes.

**Mr. Yvan Baker:** Some MPs, I think some on this committee, have suggested that maybe it's time for COVID supports to come to an end. How would your members respond to that? How would you feel about that, and how would your members respond to that?

**Ms. Susie Grynol:** I think if you look at the economy as a whole, there are sectors of the economy that are building back. I think when the government in the budget looked at when to wind down these support programs, there was some logic to doing it at the beginning of the summer, and then it was extended, because the government can't be in a position where it's making every sector of the economy whole again. This has just been too deep and devastating a pandemic for that to happen. But there are some sectors, like ours, that have suffered disproportionately as a result of this pandemic and that have not had one single opportunity to recover over these last 19 months. We're not out of it, because now we're in our off-season. Our recovery, we think, is going to start in the spring as we build towards the summer.

So there does need to be some consideration in government policy response for those hardest-hit sectors. You know, we were booming before the pandemic. In this industry we're not hurting because there's been some sort of a shift in human behaviour. If anything, travel is going to come back with a vengeance. We have so much demand on the books. People want to come back and get married every day of the week and have international conventions. The phones are ringing, but today we're not yet in a position to welcome people back to Canada. We want to have this sector alive on the other side of this, and that is precisely what this bill would do.

**Mr. Yvan Baker:** Thank you so much for that. I love your enthusiasm.

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

Now we're moving to the Bloc and Monsieur Lemire for two and a half minutes.

[Translation]

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

I am going to go back to Ms. Prigent.

Ms. Prigent, today is December 9. The holidays are approaching, in about two weeks.

I would like to know more about how the troops are doing, compared to last year, for example. There were more general assistance programs for artists, particularly the Canada Emergency Response Benefit, the CERB, and the CRB.

Does the fact that the holidays are approaching add to the feelings of urgency, of psychological distress, of sadness or of melancholy? What could the consequences be for people in the cultural sector?

**Ms. Sophie Prigent:** In my opinion, the consequences will clearly be devastating. The longer we wait, the more urgent the situation becomes and the worse the problem gets. Currently, it is very difficult to reach our members. Why? As you probably know...

[English]

**The Chair:** Madame Prigent, can you move the mike just a little closer to your mouth?

• (1640)

[Translation]

**Ms. Sophie Prigent:** Can you hear me better now?

[English]

**The Chair:** Yes, that's better. Thank you.

[Translation]

**Ms. Sophie Prigent:** I am sorry, Mr. Chair.

Let me continue my answer to Mr. Lemire's question. At the moment, it is difficult to reach our members. You have to understand that a career has highs and lows, and that income levels are always a series of peaks and valleys.

I will speak for the Union des artistes. As you probably know, the artists who are members of the Union des artistes have access to an RRSP, to which they and the producers contribute. Never have so many of our members withdrawn funds from the RRSP as they are doing now. It means that, at 65, they will no longer have any money in their RRSPs. Because the situation is so urgent, the only way they have found of getting money is to withdraw all or part of the funds in their RRSPs.

Everyone here probably has a way of contributing to their own RRSP or pension fund. Imagine that circumstances forced you to withdraw the funds in your RRSP at 37, at 40 or 52 years of age. That is something that once could not be done at the Union des artistes. We have had to become more and more flexible, because there have been more and more requests. However, what used to happen two or three times per year before the crisis now happens two or three times at each of our board meetings, every two weeks.

**The Chair:** Thank you.

**Mr. Sébastien Lemire:** An RRSP becoming a safety net is shocking. Urgent action is needed.

Thank you very much.

**The Chair:** Thank you.

[English]

Now we're moving to the NDP for two and a half minutes.

Go ahead, Mr. Blaikie.

**Mr. Daniel Blaikie:** Thank you.

Ms. Kobluk, one of the things we've heard from the government is that Bill C-2 is about moving into the recovery phase of the pandemic. One of the other things we often heard from the government, not just recently, but particularly during the election campaign—which was before they had announced they were going to be summarily ending the CRB program in October—was that they're committed to not leaving anyone behind.

We're seeing a recovery where financially vulnerable people are having benefits clawed back. There isn't ongoing income support for a lot of people who are still struggling in an economy that isn't easy, in light of the pandemic. There are financially vulnerable people who are being pursued to repay debts. We then see on the wage subsidy side that there have been companies like Bell, Telus and Chartwell that received huge amounts of public subsidy and then paid out large dividends to their shareholders. They even increased the annual amount of their payouts by anywhere from 5%, 6% or 7%.

At a higher level, when we talk about the principles of the recovery—what it means not to leave people behind and to make sure that we have a fair recovery and that we're building back better—does Bill C-2 represent a move in that direction, or does it paint a very different picture of what the Canadian recovery is going to look like?

**Ms. Devorah Kobluk:** I think Bill C-2 is optimistic, and maybe unfairly so.

Let's think about who needs what. On October 23, the Canada recovery benefit ended. On that same day, almost a million workers qualified for the Canada recovery benefit.

I was speaking to some of our workers' rights allies yesterday. They mentioned that over 600,000 workers are forced to work part-time, so they actually aren't getting by. Their bank accounts have not recovered yet. They're being left behind, and with every month, it gets worse. That's also what we're seeing with seniors: every month it gets worse.

If we look at the fact that these people have lost their GIS, now it's going to be five months if they don't change this. That's 15% of their yearly income gone, which they are being asked to continue to lose. If we think that some seniors in the first month may have had some very small savings, and people entering poverty often don't—

**The Chair:** Thank you, Ms. Kobluk.

We're moving now to the Conservatives.

Mr. Chambers, you have five minutes.

**Hon. Pierre Poilievre:** I'm sorry about that. I will take this round, if you don't mind.

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

**Hon. Pierre Poilievre:** Thank you.

My question is for Ms. Grynol from the hotel association.

Would you support splitting the bill to adopt more quickly the assistance for the hotel and hospitality sectors while we scrutinize some of the other income support programs separately?

• (1645)

**Ms. Susie Grynol:** That's a great question. I would support whatever it takes to ensure that the tourism and hospitality recovery program can pass without delay before Christmas.

**Hon. Pierre Poilievre:** The Conservatives have moved for a split of the bill. It is something that we're on record as favouring procedurally.

Mr. Saretsky, you work in real estate. You know, the CMHC, the largest and most powerful government housing agency in the country, predicted that COVID would bring a 10% to 14% drop in housing prices. It made sense. There was no immigration, wages dropped, people were frightened, they didn't know what their future was and they were not even allowed to go and visit the houses they were considering purchasing. But yet, after a brief drop, housing prices actually rocketed up a third since COVID began.

To what do you attribute that sudden explosion of house prices that began in spring 2020 and continues to this day?

**Mr. Stephen Saretsky:** That's a good question. First off, part of it is certainly psychological and the fact that with people working from home, there's obviously a greater demand to increase their living space. But I think the other thing we have to look at is that ultimately, in order to make that purchase, you need money and you need access to credit. I think what happened was that as much as government was trying to help, there's an argument to be made that we perhaps overstimulated and that the overstimulation is showing up in house prices.

As I said, if you look at money supply growth, it's up 20%. If you look at residential mortgage credit growth, that's where the banks have been lending their money. Today you can still pick up a variable rate mortgage at 1.3% with inflation now running basically at 5%, so you're looking at a real mortgage rate of negative 3%. That's very compelling to purchase hard assets such as real estate. We're seeing obviously a growing investor base, which the Bank of Canada has flagged more recently as well.

**Hon. Pierre Poilievre:** I find it ironic that the Bank of Canada has flagged these investors as the culprits when, since the Bank of Canada began its quantitative easing program, mortgage lending to investors is up 100%, according to the Bank of Canada. So it's the money that the central bank is creating that these investors are using to make their investments. Do you find that ironic?

**Mr. Stephen Saretsky:** Yes, I mean, I think that, as I said, for every action there is a reaction. Maybe it was well intentioned, but I think the knock-on effects are certainly higher asset prices. I know that we're now wondering why all the investors are active in the

market. I can tell you, at least in terms of my clientele, that we just look at it and say, okay, well, look at all the money going out the door. This is typically, historically speaking, very good for hard assets such as real estate, and that's certainly drawing more and more Canadians into the housing market.

One of the big trends we're seeing right now is that normally if you have a condo, for example, you sell it and upsize into a house. You sell one asset to buy the other asset. What we're seeing now is that it's very common for people to keep that existing condo, convert it into a rental property, refinance it, and then go out and buy their house. They're opting to keep multiple properties.

I think that's as a result of the bull market we've had in Canadian housing. I mean, with home prices growing at more than 20%, where else would you put your capital? So yes, there are certainly some knock-on effects—

**Hon. Pierre Poilievre:** It really is. You mentioned that people want more space, but even condos are up by 15% in inner cities. Those prices are up as well.

You point out that the wealth just keeps rolling over and over. What the super-rich do is they watch their asset price inflate and then they borrow against that asset to buy another asset, which then inflates, and then they borrow against those assets to buy more. It just multiplies and multiplies, and they consume more and more of the available housing stock. The real value of their debt goes down, because inflation reduces its real worth.

This inflationary economy is wonderful for the ultra-rich investor class even if it is terrible for working-class renters. Would you agree with that, Mr. Saretsky?

• (1650)

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

**Mr. Stephen Saretsky:** I would say so. Yes.

**Hon. Pierre Poilievre:** Thank you.

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

We're moving to the Liberals and Madame Chatel for five minutes.

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

I have a question for Ms. Grynol from the Hotel Association.

As you know, the labour shortage is important for all of us in this room. My own riding has a rural community, and in some parts—for example, in Maniwaki—there are only two main hotels.

When we talked earlier about labour shortages in this sector in particular, I wondered what you think of these statistics. Statistics Canada has shown that the population that is of working age—24 to 64—has grown by 8% over the last 10 years, while the population that is 65 and older has grown by 42.3%. At the same time, as my colleague mentioned, we have an issue with immigration.

To me, the bigger problem with labour shortages is really the aging of our population, and I want to confirm that you have also seen that trend.

**Ms. Susie Grynol:** Yes, that trend is accurate. I also have seen that from Statistics Canada.

Statistics Canada also has another interesting stat. It suggests that 80% of Canada's future workforce needs to come from immigration, so we will be putting a proposal to government for how we build back out of this crisis, particularly as it relates to these hardest-hit sectors. It is our hope that there will be some urgency applied to allowing more workers into this country, at all skill levels, and to most immediately fixing some of the blockages that exist today as related to working applications that have been paused because of COVID. We are planning now for the summer. We are trying to get international students into this country. We have a working holiday visa. Those applications have been paused.

We need to unlock some of the existing systems to allow us to get as many workers as we can for this summer, but we also need to deal with some systemic issues around affordability and the fact that we have housekeepers who are commuting three hours a day back and forth because they can't afford to live in the city in which they work, and obviously those are more long-term issues.

**Mrs. Sophie Chatel:** Yes. Thank you. It's a really big issue, and integrated, so the conclusion of the CERB is not the main issue here.

I have one other question about the labour shortage and the importance of passing this bill.

As you mentioned, if we don't pass this bill, what will happen is that, on the wage subsidy, the employer-employee relationship will be broken at a time when the season, as you said so passionately and hopefully, will pick up in the summer. The consequence for the labour shortage if you break those relationships that you have struggled to maintain will be huge. If we really care about labour shortages, we should pass this bill. I just wanted to confirm that.

**Ms. Susie Grynol:** Absolutely. We need to keep the businesses intact, and we need to maintain as many of those employee-employer relationships as we can, because if we don't have our employees by the time we need to recover, then we will not be in a position to recover. We need both. They go hand in hand. This bill is absolutely critical to making that happen.

**Mrs. Sophie Chatel:** If we don't make that happen and the season comes, it will have a cascading effect, in the sense that tourism is such a big sector for our economy. We'll be in pretty poor shape if we don't pass this bill, as I understand it.

**Ms. Susie Grynol:** That is correct.

**Mrs. Sophie Chatel:** That's excellent.

Chair, do I have more time?

**The Chair:** You have 40 seconds.

**Mrs. Sophie Chatel:** I have a quick question for Madame Prigent.

[*Translation*]

Ms. Prigent, the money for the Fondation comes mostly from Québec. Why did the Government of Québec withdraw and stop allocating those funds?

Thank you.

**Ms. Sophie Prigent:** You would have to ask Ms. Roy, because she managed the envelope on a discretionary basis. As I understand it, the envelope was hers and she decided to put \$2 million into the fund and then, later, another \$3 million. The first \$2 million were spent very quickly. One month after the form was published on the foundation's website, it had to be taken down, because they knew that all the money was going to be spent. Then a second grant of \$3 million came in and, a month and a half later, the form was taken down again.

• (1655)

**The Chair:** Thank you.

[*English*]

That's your time.

Now we are moving over to the Conservatives with Mr. Chambers for five minutes.

**Mr. Adam Chambers (Simcoe North, CPC):** Thank you, Mr. Chair.

As is the case for some of my colleagues here, my riding, significantly, is home to many of Canada's premier tourism destinations, including, I would like to say, Georgian Bay and lots of great lakes.

Ms. Grynol, I think I have a number of your members in my riding, those who are in the hotel association or those who are in the same industry. I have heard a lot of feedback on the labour shortage, which I agree is acute.

Something I have heard feedback on is the challenges of mixed messaging from the government regarding travel and promoting travel, as well as the challenges with PCR tests at the airport, which are also affecting people's willingness to recover and come back to the tourism market.

Would you like to comment on some of the challenges from the government policy side?

**Ms. Susie Grynol:** Yes.

Canada is not really open for business today. It is very difficult to get into Canada. The PCR test is a barrier and, of course, now we hear talk of more restrictions coming into place.

I want to be clear though. We are all sensitive to the fact that this is a health crisis and that we do have a variant out there. We are all trying to understand what this variant means, how transmissible it is and what it will mean in terms of its relationship to vaccine effectiveness.

What we ask of government moving forward is that, as we understand these health implications, we are clear with Canadians and international travellers and that we have a clear and predictable situation at the border so that those people who do need to travel, whether it's for leisure or business, have a clear understanding of what is going to happen at the border.

Eventually, once we learn to live with this virus, we will need a process that is not as clunky as it is today. We desperately need a wide-open travel climate in this country if our industry is going to come back by this summer. Otherwise, the collapse that I speak of will be inevitable.

**Mr. Adam Chambers:** Thank you. That's very helpful.

Mr. Saretsky, I appreciate your expertise on the real estate sector. We've spent a lot of time talking about affordable housing in the last few days and we had some time with the Minister of Finance earlier this morning. We've tried a lot of things to deal with the affordability crisis. I think you're on the west coast, with the vacant homes tax, a speculation tax and a ban on foreign buyers, but some of the underlying fundamentals of the lending market have remained consistent, and one of those is low interest rates.

In your opinion, what is it going to take to affect the housing market most specifically and what are the risks that are growing in that market under the current structure?

**Mr. Stephen Saretsky:** It's a good question.

I think that so long as interest rates are where they're at and mortgage rates are where they're at, you're going to continue to have a larger and larger inflow of capital into that housing market. It's just what it is. I'm in Vancouver. There's an empty homes tax. We've tried a speculation tax. We've tried an Airbnb ban. We've tried everything.

If you're not going to raise interest rates, then I would say the biggest thing we can try to tackle is ultimately getting more housing supply. The big challenge really is at the municipal level with the amount of red tape. The length of time it takes to get a project approved and to get homes built is simply way too long.

**Mr. Adam Chambers:** Thank you.

How much time do I have, Mr. Chair?

• (1700)

**The Chair:** You have 50 seconds, almost a minute.

**Mr. Adam Chambers:** Thank you.

I have a quick one for Ms. Kobluk.

Were you consulted or was your organization consulted during the development of Bill C-2 or have you had any recent conversations with the government about the challenges that some of your members are facing?

**Ms. Devorah Kobluk:** We have not directly with the government, no.

**Mr. Adam Chambers:** Thank you.

**Ms. Devorah Kobluk:** We were not consulted. We wish we had been.

**The Chair:** Are you done, Mr. Chambers?

**Mr. Adam Chambers:** Thank you, Mr. Chair.

**The Chair:** Thank you.

We are moving now to the Liberals.

We have Mr. MacDonald for five minutes.

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

I want to talk to Mrs. Grynol again. How many employees are represented by the Hotel Association of Canada?

**Ms. Susie Grynol:** There are 300,000.

**Mr. Heath MacDonald:** Approximately how many of those, that you know of, would have been let go during COVID-19?

**Ms. Susie Grynol:** Sixty per cent of our workforce was lost in those early months, when we had a total shutdown. We have been trying to hire back as many of those people as possible, but it is unclear in this environment today how many have been lost permanently. We know that many have transferred over to the health sector and will not be coming back.

**Mr. Heath MacDonald:** Do you track the number of rehires? Most of those people would have gone on CERB. Employment rose by 154,000 people in November.

Do you have any numbers on how many of those people went back into the service sector that you represent?

**Ms. Susie Grynol:** I do have those numbers. What I'd like to do is follow up with, committee, if I can, on the very specifics of which percentage was hired back into our sector. What I can tell you is that we did not see the kind of recovery we needed to see. We did not get to hire back as many workers as we needed to. Part of that was because of CERB, but that was not the whole reason.

Fundamentally, we have become a destabilized industry and many of our workers have moved on. On top of that, we have an industry that, in many regions of the country, did not see the kind of demand we needed to see to hire back as many workers as possible. The numbers you're referring to mostly apply to other sectors, but I will get you the specifics of our sector, in particular.

**Mr. Heath MacDonald:** Did the Hotel Association of Canada do any surveys or research on regionality and how COVID-19... Are there areas that were hit harder than other areas?

I come from a rural area and I'm wondering if there's any information that you can provide us on where the hardest-hit areas of the Hotel Association of Canada and the tourism industry were?



**Ms. Susie Grynol:** The downtown cores were disproportionately hard hit. Across the board, revenues were down between 50% and 100% over the course of COVID, up until the last couple of months. It is across the board, but there is an acute challenge in the urban cores where, this summer, we did not have events, fairs, festivals or any of what drives people to the downtown cores. People aren't working in those downtown cores. They have been devastated and I would be very happy to follow up with you.

We have every single market for every single week, and we can do an analysis of rural versus urban for every market.

**Mr. Heath MacDonald:** We can't depend on domestic travel for much longer. We need international travel. The new variant has put an impediment in the way of that.

If your sector doesn't get Bill C-2 passed, what alternative is out there? I know there are hotels right downtown in Ottawa that are huge, nice hotels that don't have their restaurants open. I'm sure some people in this room are likely staying at at least one of them.

What is the doom and gloom if this doesn't get passed?

**Ms. Susie Grynol:** We'll see a collapse in this sector. Using the hotel sector as an example, according to that survey, we could see up to 60% of the hotels in this country close permanently. They will not be able to cover the bills. They are running a loss every single month in most regions and in most segments in this country.

This bill will provide support for them to pay a portion of their fixed costs and a portion of their wages, which is the lifeline the industry needs to get through the next couple of months. Without it, we will see significant business closures, possibly up to 60%.

• (1705)

**The Chair:** Thank you. That's your time, Mr. MacDonald.

**Mr. Heath MacDonald:** Thank you.

**The Chair:** Now we'll move over to the Bloc and Madame Sinclair-Desgagné.

[Translation]

**Ms. Nathalie Sinclair-Desgagné (Terrebonne, BQ):** Thank you, Mr. Chair.

I would like to hear more from Ms. Prigent.

Good afternoon, Ms. Prigent.

This morning, Minister Freeland came to talk to us at the committee. She said that, in Bill C-2, the cultural industry is included in the Tourism and Hospitality Recovery Program, which is quite broad.

Ms. Prigent, do you believe that most members of the Union des artistes would be covered or would it simply affect self-employed artists and workers in the arts generally?

**Ms. Sophie Prigent:** We have to be careful, because a lot of artists are not part of any association or any union. Those who are not represented are generally the most vulnerable, the ones who have no RRSP, no safety net, no insurance and so on. That is why, in our opinion, the Fondation des artistes would be a good vehicle, because we want to make sure that everyone benefits from fair and

equitable coverage, especially the artists who are not members of any association.

For me, the worst thing that could happen is that the money does not go through the associations and the unions, because I don't see how the employers, the entrepreneurs, could reach the members of the Union des artistes, let alone the artists who are not members. If there's no link through employment, it's impossible to reach them.

**Ms. Nathalie Sinclair-Desgagné:** You gave some very interesting figures about the issue that, at the same time, were very sad. For example, people were considering abandoning their careers in culture.

Can you tell us about any cases that you know of and the impact that those who give up will have on the cultural industry?

**Ms. Sophie Prigent:** Unfortunately, I will never be able to talk to you about people leaving the sector. Neither will you actually, because you will never know who they are. I do not like talking about particular individuals, but if, say, Fred Pellerin had not started to write and had not managed to touch people's hearts, no one would know of him and his work would not exist. In the sector where we operate, the problem is that, when people don't exist, their words don't exist either. They are just not there. Artists who are not working become non-artists; they have to do something else in life.

**Ms. Nathalie Sinclair-Desgagné:** Thank you, Ms. Prigent.

**The Chair:** Thank you.

[English]

Now we'll move to the NDP and Mr. Blaikie for two and a half minutes.

[Translation]

**Mr. Daniel Blaikie:** Thank you very much.

Ms. Prigent, in Bill C-2, there is a tool called the Canada Worker Lockdown Benefit, which applies to self-employed workers in arts and culture only if there is a lockdown order in their region.

According to the government, all industry sectors that need exceptional assistance are included in Part 1 of the bill. I am wondering whether it would make sense simply to provide access for self-employed workers in arts and culture to the Canada Worker Lockdown Benefit even if there is no lockdown order in their region, because we recognize that the industry is suffering even without a lockdown.

Do you see that as a possible solution for the government?

**Ms. Sophie Prigent:** I would have to give it some thought because I have not looked at that possibility from that angle. I can come back to you with a more specific answer. Instead of giving you a wishy-washy answer, I would really like to study the issue. I have asked myself the question as well but I have no answer. I can come back to you with a reply quite quickly.

**Mr. Daniel Blaikie:** You could send your detailed reply to the clerk. He will then send it on to members of the committee.

Thank you very much.

• (1710)

**Ms. Sophie Prigent:** I will gladly do that.

Thank you very much.

[English]

**Mr. Daniel Blaikie:** Do I have a little more time?

**The Chair:** You have 45 seconds.

**Mr. Daniel Blaikie:** If I could, Ms. Kobluk, for the 45 seconds, I'll go back to you. I know you were cut off in your last answer, so if you want to share some of those reflections, you have about 30 seconds.

**Ms. Devorah Kobluk:** I have 30 seconds to say that I've heard during this committee that we're talking about hotels and investments. I just want to impress on you that there is a whole group of people across this country who, when these benefits are clawed back, are losing their homes. They do not have the luxury of traveling. They are really in a completely different situation during this pandemic. We are just forgetting them. They're not in this bill. They have lost their recovery benefits. They have had clawbacks.

They can't wait. With every month that goes by, we're going to see less food security, less health security and less housing security. I would ask the members, what are they going to put in this bill to ensure that this doesn't happen, that we don't have another roll-off catastrophe that will go on for months and years to come?

**The Chair:** Thank you, Ms. Kobluk.

We are moving to the Conservatives now for five minutes.

I have Mr. McLean.

**Mr. Greg McLean:** Thank you, Mr. Chair.

I'll go back to Ms. Grynol again.

Have you experienced any wage inflation amongst the people who have to come in to supply the services at your organization's hotels?

**Ms. Susie Grynol:** I don't think I would call it wage inflation. Wage inflation is part of it, but we have experienced inflation all across the board. Insurance costs in some cases have gone up by up to 400%. We have been affected by the supply chain, so that has an effect on getting materials into the hotels, as well as on food prices, etc. There has been an increase in costs across the board, including wage inflation.

**Mr. Greg McLean:** Okay. Thank you.

Are there any issues on the inflation and availability of labour versus the fixed costs?

**Ms. Susie Grynol:** I'm not sure I understand the question.

**Mr. Greg McLean:** Are there any concerns with availability of labour?

**Ms. Susie Grynol:** We're deeply concerned with the availability of labour in this country. We're in this middle ground right now where we don't have enough demand to be attracting and rehiring as many people as we possibly can, so we're trying to hang onto as many employees as possible.

Those employees are with us, and the point of this bill is to try to maintain the employee/employer connection. They would already be on payroll with us. Those would be long-standing relationships. Our goal is to maintain those employees.

But as it relates to rehiring as we get into the spring and summer periods, there will be an increase in wage inflation at that time when we get into the true rehiring period.

**Mr. Greg McLean:** Thank you very much, Ms. Grynol.

Mr. Saretsky, can you give us an estimate of the percentage of properties sold now that are investment properties?

**Mr. Stephen Saretsky:** I think it's hard to figure out what that percentage is. All I can say is that I work in the inner city of Vancouver, and 50% of units are investor-owned.

**Mr. Greg McLean:** I'm sorry—you're saying fifty per cent?

**Mr. Stephen Saretsky:** It's fifty per cent in the inner city if you're talking about condos. I think it's close to that number, yes.

**Mr. Greg McLean:** Thank you.

**Mr. Stephen Saretsky:** Downtown Vancouver, I think, is 60% renters.

**Mr. Greg McLean:** Thank you very much.

Give us some perspective on why you think Canada's housing prices have increased at a level so much higher than that in the U.S.

**Mr. Stephen Saretsky:** I think what is really huge is, number one, that we haven't been building enough. Number two is that we certainly have a lot of immigration in our country. Number three, I think, is that the bank lending is a big thing. I think there has been a lot of credit growth. All you have to do is look at household indebtedness in Canada, right? That basically tells me that people are taking on a lot of debt, and most of that debt is in the form of mortgages, so the banks are obviously lending a lot of the mortgages.

**Mr. Greg McLean:** Yes. Okay. Thank you.

So it's low interest rates that are causing a lot of this. These low interest rates are non-market mechanisms right now because of the Bank of Canada's policies of keeping interest rates low with quantitative easing.

What would happen, once we return to a market mechanism for setting interest rates, if those mortgage interest payments increase, as they surely will?

What will happen to both the payments that are due from the homebuyers plus the actual ownership of those units? Will they switch over to investors even more?

• (1715)

**Mr. Stephen Saretsky:** Yes. You will have a substantial repricing in home prices, so if mortgage rates rise—I need to remind people some times that in 2018 mortgage rates in Canada hit 3½%. Everybody thought they were going to go to 4%.

During that year, in 2018, greater Vancouver home sales dropped to an 18-year low and in the greater Toronto area, they dropped to a decade low, so if we get any sort of repricing in the mortgage market, what we will see is a repricing of homes. For example, in 2018, Vancouver home prices dropped about 10% as a result. Then at the same time, you will see more investors, I think, hitting the sell button. For sure you will see that, and that will, obviously, add to supply in the market and will probably weigh on prices as well.

**Mr. Greg McLean:** Thank you very much.

My final question here is for Ms. Kobluk.

Ms. Kobluk, some of these programs the government has put out have been rather haphazard. I'm speaking directly to the \$500 that was given as a gift in recognition of what was happening at times to people 75 and over. Unfortunately, that caused some other effects, because there are all kinds of follow-on implications including rental payments, which for some lower-income seniors take up a portion of their income.

I know you mentioned that as well, as far as the social programs available to seniors below a certain level go.

How many seniors are affected by these haphazard programs that the government has put forward?

**The Chair:** Mr. McLean, that's a great question, although it may have to wait until we get into our final round. I have Ms. Dzerowicz up next for the Liberals for five minutes.

**Ms. Julie Dzerowicz:** Thank you so much, Mr. Chair, and thanks to everyone, because I think this is an important conversation this afternoon.

My first question is for Ms. Kobluk from the Income Security Advocacy Centre. As I was hearing your earlier exchange with my colleague Mr. Blaikie, I just wanted to reiterate a couple of the things that our Deputy Prime Minister and Minister of Finance indicated this morning.

I think there was a very clear commitment made by our Deputy Prime Minister that we're working on the GIS/CERB issue. We're aware of the issue, we're concerned about it, it's a priority, and stay tuned for some news. I wanted to make sure that this was reiterated, because I think there is a lot of compassion from all sides of the floor on the issue.

I think the other point I want to make is around the audit around CERB. The CRA is actually coming before this committee tomorrow, so I think the committee members can actually ask more spe-

cific questions then, but I do know that the CRA and Service Canada have made it very clear that when they're doing their audits, they're flexible, they're empathetic, they're compassionate and they are not out in any way to try to harass our vulnerable Canadians to repay money that they're not able to.

As for how this emanates for me in my riding, originally when there was some concern, particularly from some of my artists, to be honest, around the auditing of the CERB benefits, I had a lot of calls to my office. I will say to you that a number of them have been audited, and I'll say to you that I've literally received zero calls right now about the auditing around CERB and any of their concerns. It's gone from a bit of a crescendo around emails and calls to literally zero right now. For me and my riding, I have a working-class riding, and it's definitely something that I'm always concerned about in terms of how the people of my riding are being treated. I did want to relay that to you.

My question to you, though—and this is something I brought up to our Deputy Prime Minister and Minister of Finance this morning—is the importance of national child care. I wonder if you could maybe comment on the importance of the Ontario government signing on to the child care plan.

**Ms. Devorah Kobluk:** Sorry, but I just would like to first address some of your comments.

I did watch the minister this morning. We are very glad that this is on the radar. We've been working on our advocacy since August.

I've also traced some of the comments from this government, and what I've heard Minister Qualtrough say is that they have to look at "fairness and equity". I put that in my statement. Let's talk about which seniors we're talking about. These are the poorest seniors, who are living near or around the poverty line. These are not OAS-receiving seniors who did not have a clawback until they hit \$80,000. These are the seniors who, once they get one dollar of CERB, are clawed back at 50%, and they are already on the poverty line.

My fear is that what will be corrected is that we're going to have a one-time payment. That's what I meant by this needing to be systematically addressed. There's an easy way to fix this—

• (1720)

**Ms. Julie Dzerowicz:** Look, I'm very sorry. I do want to ask you about the child care question, just because I only have a limited time to ask all of my questions, but I appreciate your comments very much.

**Mr. Daniel Blaikie:** I have just a quick point of order on that.

**The Chair:** We have a point of order.

**Ms. Devorah Kobluk:** We need a minister's exemption on earnings for CERB for seniors.

**The Chair:** We have your point of order.

**Mr. Daniel Blaikie:** I have just a quick point of order.

Earlier today, we had a long conversation about the right of witnesses to be able to answer questions to their own satisfaction, and I think—

**Ms. Julie Dzerowicz:** I didn't ask a question about that.

**Mr. Daniel Blaikie:** Well, you did make a number of comments about it.

**Ms. Julie Dzerowicz:** I know, but I didn't ask a question on it.

**Mr. Daniel Blaikie:** I know, but look—

**Ms. Julie Dzerowicz:** I asked about child care.

**The Chair:** I'll allow the member to continue and the witness to answer.

We have Ms. Dzerowicz.

**Ms. Julie Dzerowicz:** Yes. I asked a question about child care and the importance of the Ontario government signing on to it. That was my question.

**Ms. Devorah Kobluk:** In income security, we work for low-income Ontarians. Children are poor if their parents are poor. There are seniors who are also taking care of grandchildren.

I would be remiss if I didn't mention some of those comments, because until we see something, we're going to continue to feel the urgency. Seniors cannot wait. Every day that they do not have that GIS restored, there's an increased risk of homelessness, and we are very strongly urging the government to put something into this bill to address that.

I would also let you know that some people are not coming forward to your office, potentially—

**Ms. Julie Dzerowicz:** I'm just not going to get an answer to my question, so thanks very much.

**The Chair:** Thank you, Ms. Dzerowicz.

Members, we are coming close to the end of our time. We're going to do a final kind of truncated round. Each party is going to have two minutes.

We're going to start with the Conservatives and Mr. Chambers for two minutes.

**Mr. Adam Chambers:** Thank you, Mr. Chair.

I have two questions for Mr. Saretsky. Hopefully, they're fairly quick.

Do you think that Canadians are addicted to debt?

**Mr. Stephen Saretsky:** Yes. I think it's so far gone now, unfortunately.

**Mr. Adam Chambers:** I'll yield the rest of my time on the floor to Ms. Kobluk to finish with a more fulsome explanation of the exchange she just had with Ms. Dzerowicz.

**Ms. Devorah Kobluk:** I'm sorry. Can you maybe direct me specifically to what you want to hear?

**Mr. Adam Chambers:** We were talking about low-income seniors and those who are most vulnerable. I wanted to make sure you have an opportunity to advocate on their behalf.

**Ms. Devorah Kobluk:** Child care is very important—there's no doubt about it—but we are here because we want a fix for the GIS clawback. ISAC supports all wraparound services, including housing, child care, mental health and addiction services. We advocate for that frequently. We also advocate for workers' rights. Racialized workers have been very hard-hit during this pandemic.

To respond to some of the comments by your colleague, we're happy it's on the radar, but we won't feel that our concerns are allayed until we actually see a proposal on the table that shows that the minister will exempt CERB for the 2020 fiscal year, so that people will not lose their GIS for the duration of the year. This is going to continue with CRB. Let's fix it now, because you guys will be here in committee next year. If I'm lucky enough to come back and speak, I will be saying similar things, and this will be more urgent. With every day the money is not there, the situation is harder for them.

**Mr. Adam Chambers:** Thank you for coming this afternoon.

**Ms. Devorah Kobluk:** Thank you for having me.

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

We are moving to the Liberals for two minutes.

Go ahead, Mr. Baker.

**Mr. Yvan Baker:** Thank you very much, Mr. Chair.

I'd like to direct my question to Ms. Grynol again. One thing we've spoken a lot about is the importance of the measures in Bill C-2 for your sector. You've articulated that quite clearly. One conversation that has come up in the committee on a number of occasions is the suggestion by some that the programs here are helping businesses, but they're not helping people, like workers.

Can you speak to the impact these measures would have on Canadian workers?

Quickly, to my mind, the reason for these measures is to help businesses prevent all the negative outcomes that you've spoken about, namely the bankruptcies, the cutbacks and everything else you've spoken about. By keeping businesses functioning and operational, it allows them to then pay workers. By subsidizing wages, we allow them to pay workers.

Can you speak to what the impact would be of the measures in Bill C-2, in your view, on Canadian workers?

• (1725)

**Ms. Susie Grynol:** If there are no businesses, there are no jobs. They go hand in hand. This bill not only keeps businesses intact, but it provides for a subsidy for employment, which will allow us to maintain as many of our workers as possible over this winter season, so that they are with us in our time for recovery. They are the lifeblood of this industry. They are the most important asset we have.

Without this support, not only will we not have the businesses, we will not have the jobs. With this support, we can maintain as many of them as humanly possible.

**Mr. Yvan Baker:** Thank you very much.

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

Now we're moving over to the Bloc and Madame Sinclair-Desgagné.

[*Translation*]

**Ms. Nathalie Sinclair-Desgagné:** Thank you, Mr. Chair.

I have another question for you, Ms. Prigent.

Were the Union des artistes and the Fondation des artistes consulted when Bill C-2 was being drafted?

**Ms. Sophie Prigent:** Yes, we were consulted on several occasions, before and after the election.

**Ms. Nathalie Sinclair-Desgagné:** Do you feel that the concerns you raised were considered?

**Ms. Sophie Prigent:** Yes, I believe that the government is sensitive to our concerns. I very much want to keep that connection, because it's important for us. It's good news that we have an open channel of communication and it must stay that way.

**Ms. Nathalie Sinclair-Desgagné:** Great. I understand completely.

Basically, the CRB ended on October 23. The government called an election and reconvened Parliament two months afterwards. Bill C-2 was drafted and your organization was consulted during the process. However, as you mentioned earlier, a number of categories of artists have been excluded from the bill, especially self-employed cultural workers. Let me give you an example. In my constituency, Terrebonne, the Théâtre du Vieux-Terrebonne used to play to full houses, but it's now operating at one third of its capacity.

We can see that Bill C-2 has nothing for culture, whereas, as you so rightly said, we needed a program yesterday. We really want to hear about how badly we need a program, how urgent it is, and that, right now, the current program is not adequate. We need a specific timeline.

**Ms. Sophie Prigent:** Exactly.

What we need now are answers.

[*English*]

**The Chair:** That is the end of your time.

[*Translation*]

Thank you.

[*English*]

We are moving to the NDP.

Mr. Blaikie, these will be the last questions.

**Mr. Daniel Blaikie:** Thank you.

I'll start by correcting what I would call a mischaracterization by Mr. Baker—however unintentional, I'm sure—of some of what I've had to say. It's not that there's no support for any workers at all; it's that there's no support for self-employed workers.

Ms. Grynol, it may well be that in the Hotel Association, people who run hotels normally do have some employees. However, surely, whether they're travel agents or various tourism agents, you do work with people who are self-employed in your industry, as part of the larger industry.

To what extent do you think that those folks who work for themselves should also be able to receive, given the state that the industry is in, some kind of financial help? That's not going to come through a wage subsidy program, so it stands to reason that there has to be another mechanism. Do you have some thoughts on that for the committee?

**Ms. Susie Grynol:** There's an opportunity for improvement in that respect. There are independent contractors within the sector, for sure. They have not been immune to the deep devastation. It doesn't apply directly to the Hotel Association, which I represent. I'm the coalition chair of the hardest-hit businesses. We do have businesses in there that have independent contractors. They are concerned about that piece.

**Mr. Daniel Blaikie:** Thank you very much.

**The Chair:** You have 15 seconds, so we're going to wrap up now.

I just want to say, on behalf of all the members of the Standing Committee on Finance, thank you to the witnesses. Thank you for your testimony, for your answers to the questions and for informing this committee on this important piece of legislation, Bill C-2. We thank you very much for all of that.

At this time, members, we are going to adjourn.





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