



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

43rd PARLIAMENT, 1st SESSION

---

# Standing Committee on Finance

EVIDENCE

**NUMBER 022**

Friday, April 24, 2020

---

Chair: The Honourable Wayne Easter





## Standing Committee on Finance

Friday, April 24, 2020

• (1405)

[English]

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

Welcome to meeting number 22, panel one, of the House of Commons Standing Committee on Finance. Pursuant to the order of reference of Tuesday, March 24, the committee is meeting on the government's response to the COVID-19 pandemic.

In order to facilitate the work of our interpreters and ensure an orderly meeting, I would like to outline a couple of rules.

Interpretation in this video conference will work very much the same as it does in regular committees, and a number of you have been before the committees before. You have the choice at the very bottom of your screen of floor, English or French. Speak as slowly as you can and as clearly as you can for the interpreters. Your mute button is down in the bottom corner. Stay muted until you're called upon, if you could.

As chair, and on behalf of the committee, I want to thank everyone for coming. We've been trying to get a lot of witnesses in. I know that SARM has been trying to get on here for about three weeks, for example. There are a lot of witnesses on this panel, eight, and I'd like you to hold as tightly as possible to the five minutes so that we have time for questions.

With that, we'll start.

We'll go to the City of St. Albert, if we could, with Mayor Cathy Heron.

**Ms. Cathy Heron (Mayor, City of St. Albert):** Good afternoon, everyone.

Thank you to the members of the committee for inviting me to speak. This is an excellent opportunity to identify some of the work St. Albert has undertaken at a municipal level through the response phase to this pandemic and to discuss opportunities and challenges we foresee in the mid to long term as we prepare for recovery.

My name is Cathy Heron. It is my honour to serve as the mayor of the City of St. Albert. I also serve as the vice-president of the Alberta Urban Municipalities Association.

St. Albert is consistently recognized as one of the best communities in Canada in which to live and raise a family. Positioned within the Edmonton metropolitan region with over 66,000 residents, we encounter the same opportunities and challenges that big cities do yet maintain our small-town feel. St. Albert has been a leader on a

number of fronts in recent years, including in gaining international recognition as a smart city, banning conversion therapy and being recognized as the healthiest community in Canada.

As of today, Alberta Health Services has reported that 27 of our residents in St. Albert have contracted COVID-19. Of these cases, three are still active and 24 have recovered. Thankfully, none of our residents has succumbed to the disease, and we hope this remains the case.

Our local RCMP and municipal enforcement services report that our residents are doing an excellent job in complying with the public health orders, avoiding large gatherings and maintaining physical distancing. Our businesses and residents have demonstrated their willingness to make the sacrifices required for our city to overcome this challenge and to create a new normal in our community. We are really grateful for the high level of compliance in St. Albert and have every reason to believe this co-operative attitude will continue. This is one of the reasons we have, to date, not felt the need to declare a local state of emergency.

When the World Health Organization declared a pandemic, we activated our emergency operations centre to centralize and coordinate our response to COVID-19. I believe that the steps taken in St. Albert to respond to the pandemic are similar to the actions of other municipalities across Canada. For example, we've taken actions to provide immediate tax and utility relief through deferrals, we have offered free transit, and we have undertaken cost-reduction measures such as temporarily laying off 30% of our workforce.

While we are still very much in the response phase to this pandemic, St. Albert city council has already struck a recovery task force to help guide us through the balance of 2020 and the year to follow. Ultimately, the successful future emergence will link back to our ability to access revenues today. What we're going to need from the federal government are assurances of improved access to federal support and its alignment with our provincial government.

Federal support to backstop municipalities is essential for three reasons. The federal government has the best and most affordable access to market liquidity. A federal program can be prolonged, which I expect is going to be necessary as we learn about the longer-lasting impacts of the pandemic over time. It's going to take time for municipalities to adjust their governance and business models to the new way of doing things, and a return to positive economic positions will lag based on that turnaround time. Finally, municipalities are where the economic recovery will happen. Encouraging cities to take on more debt or run a deficit only postpones recovery. Our outdated fiscal framework has brought us to a tipping point, and we have limited avenues to cash flow.

At this time of uncertainty, Canadians need support and leadership. No matter where it comes from, it needs to be dependable and aligned, and it needs to rise above partisan politics. As municipal leaders, we're going to be on the front line of helping to reimagine our communities in a post-COVID world, but we need the tools to do that. Ultimately, all three orders of government have a role to play to support Canadians through the pandemic response and recovery period. The City of St. Albert is committed to working with the provincial and federal governments to find solutions that support our residents and businesses in the coming months.

As I mentioned, federal support to backstop municipalities will provide a level of certainty and enable cities like ours to focus on providing essential front-line services to residents and businesses in our communities. Any support, whether it be operational injections or capital, will need to be fast and easy. Municipalities have always appreciated the gas tax and see it as the perfect tool to deliver support.

I do believe that this will be the very first time in recent history that our level of government has reached out asking for this type of help, and we do not make this request lightly.

Thank you, again, for the opportunity to address you today and to share St. Albert's story. I hope that was under five minutes.

• (1410)

**The Chair:** It was a whole half a minute under.

Now we will go to Mayor Mike Hurley of the City of Burnaby.

**Mr. Mike Hurley (Mayor, City of Burnaby):** Thank you for the opportunity to speak today.

Thank you to the committee, and especially to my MP Peter Julian for bringing this forward.

I believe these dialogues are important. They provide a mechanism to share information whereby all levels of government can work together and aid one another, all for the common good of Canadians. The federal government's focus on supports and efforts provided so far during the pandemic are very much appreciated, and we all thank you.

At the local government level, our efforts and the tremendous dedication of our workforce continues to work in step with our local communities, delivering many hours of much needed essential services and never wavering in our dedication and commitment to our residents. However, an urgent need continues for federal gov-

ernment support to local governments to sustain our communities and ensure a successful recovery.

Local governments and their respective communities continue to suffer as many recently announced federal programs do not extend to local government. Local governments are the closest connection to the people as we provide essential services in meeting the needs of residents. Protective services include fire, police, water, sewer, roads and drainage, and garbage collection. They meet the basic needs of our citizens, which must be maintained to ensure livability and sustainability.

Local governments continue to be the mechanism that ensure communities remain safe and citizens receive the basic needs they've come to expect as Canadians in whatever community they live. Current programs offered by the federal government, the Canada emergency wage subsidy, the temporary wage subsidy and the Canada emergency commercial rent assistance have been put in place to help Canadian businesses but none of these are offered to the local governments. We are on the ground every day striving to meet the needs of the citizens and communities directly.

Specifically, the Canada emergency wage subsidy program provides business owners with 75% of the employees' wages to maintain business continuity and to keep employees at work. As one of the biggest local employers, if this program was to be extended to local government, our city would keep staff employed. For the City of Burnaby, facility closures, including recreation centres with pools, skating rinks, libraries and cultural centres have translated to many lost revenues. The financial impact of lost revenues is currently sitting between \$5 million and \$6 million per month. Anticipated costs related to the pandemic are well beyond normal spending patterns. The pandemic is forcing a financial crisis that the local governments will have a difficult time recovering from without any aid. Some local governments may never be able to recover.

Loss of revenues and additional expenditures have forced the City of Burnaby to lay off 1,500 hard-working and committed staff. We are continuously looking at ways to reduce costs by adjusting operations and cancelling or deferring needed projects in the community. However, these acts are not by any means slowing the financial drain. The vulnerable population, specifically the homeless and seniors, are struggling in the community. Programs previously offered by other levels of government have been downloaded to local government.

The City of Burnaby has extended the provision of warming centres to meet the needs of our homeless population and we continue to reach out to our seniors within the community to ensure their basic needs are being met daily. There is no funding for any of these programs, but as a local government—the people's government—we have gone, and will continue to go, over and above to ensure our citizens' needs are satisfied. This very important and critical work will only be sustainable for so long.

At the very least, the federal government needs to provide local governments with funding similar to the financial aid programs offered to the business community. This would allow us to recall staff who have been laid off, to provide the much needed services required in our community.

• (1415)

Federal aid is urged, and all levels of government must work together to ensure that all citizens, regardless of neighbourhood, from Burnaby to St. John's, are able to survive this crisis and weather the storm.

I hope you will see that support for local government is an essential piece in ensuring a successful recovery from this pandemic. I hope that the federal government will seriously consider FCM's call for targeted emergency operating funding for cities, as well as my request to the federal government to extend the emergency wage subsidy program, and other programs mentioned earlier, to local governments.

We want to ramp up quickly to mobilize our staff and the community on the important work of restoring our economy. This will ensure that we can return to be the thriving country we all know and love.

Once again, thank you for the opportunity to share my comments and concerns with all of you.

**The Chair:** Thank you very much, Mayor Hurley.

We turn now to the City of New Westminster with Mayor Jonathan Coté.

**Mr. Jonathan Coté (Mayor and Chair of the Translink Mayors' Council, City of New Westminster):** Thank you very much. It's a pleasure to be here. Thank you for the opportunity to be able to share some of the challenges from cities.

My comments today are really going to focus on the impact to transit agencies. I currently serve as the mayor of the City of New Westminster, but I am also the chair of the mayors' council in Metro Vancouver, which represents the 21 mayors in the region, and the Tsawwassen First Nation.

TransLink, our transit agency, provides public transit service and support to the major road network serving 2.5 million people in the Metro Vancouver region.

We know that COVID-19 has had devastating impacts all across the country and through all aspects of society, but these impacts have been particularly acute for public transit systems. Here at TransLink, our major revenue source is transit fares, and with transit ridership down by 80%, our organization is losing \$75 million

per month. This is certainly not sustainable, and it is creating tremendous pressure on our transportation agency.

Despite significant declines in transit ridership, we are finding that 75,000 residents in Metro Vancouver are still very much dependent on our transit system. Our surveys have indicated that nine in 10 trips on our transit system today are related to essential services, whether that's working at a grocery store, going to a grocery store, or having to do with health care. Our service is still providing valuable essential service and essential transportation options. Also, 150,000 households in Metro Vancouver do not own a car, so there are many folks in our region who do not have alternative transportation options.

In light of the crisis that we are facing, TransLink has taken difficult steps to significantly reduce service, cutting transit service by approximately 40% in the region.

Despite these very significant impacts, which are impacting riders across our region, TransLink estimates that we are still going to be losing \$40 million to \$50 million per month because of the revenue shortfalls due to the crisis. I really appreciate the opportunity to come to this committee to implore the federal government to see how it can play a partner role and help support a viable transit service, not only during the crisis but also as we emerge from the crisis. Other countries around the world have already recognized that transit service is important, both at this time and during the recovery, and have developed emergency relief programs.

From the perspective of TransLink, we know that the challenges that we face in delivering public transit are challenges that are faced by major transit agencies all across the country, and that this is really a national issue.

As we deal with the crisis right now, and as we start to plan towards the recovery, we strongly feel that a viable and functioning public transit system will be necessary during both of those phases. Given that this is a national issue facing transit agencies all across the country, we want the federal government to have a serious look at opportunities for emergency relief, with a particular focus on the work that FCM has done in laying out a plan to keep public transit viable in our country.

• (1420)

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

Turning then to the Federation of Canadian Municipalities, we have Bill Karsten, president.

Welcome, Bill. The floor is yours.

**Mr. Bill Karsten (President, Federation of Canadian Municipalities):** Thank you so very much, Mr. Chair.

Thank you to the committee for inviting the Federation of Canadian Municipalities to join you today.

I want to take a moment to thank the other mayors who were able to join us today and all of the witnesses who are bringing this information to your attention.

On behalf of our membership, let me say how much we appreciate the steps that have been taken to date by the federal government to continue to hold these meetings. We appreciate the work being done quickly by the federal government to support Canadians in the midst of this pandemic.

This moment requires urgency.

Let me start by being as clear as possible. On behalf of more than 2,000 member municipalities of all sizes from coast to coast to coast, we stand united with one voice. Canadian municipalities are facing a financial crisis that puts Canadians at further risk. This crisis affects communities large and small, urban and rural, in unique ways. Unanticipated costs arise as municipalities across the country support front-line health action and deliver the central response services. At the same time, revenues are plummeting. This is a crisis of non-recoverable losses. Millions have been lost from deferred property taxes, utility charges and user fees, as our previous speaker said, such as transit. To reiterate the loss from transit, cities and communities are losing \$400 million each month from lost transit ridership alone.

We estimate that 25,000 jobs have been lost at the municipal level with another 7,000 temporary roles gone unfilled. Much like Burnaby, the numbers are about the same in Halifax at approximately 1,500. These are essential services, not luxuries, that municipal leaders need to maintain now more than ever: police, fire, ambulances when you need them, clear tap water and garbage collection.

With few fiscal tools available and no legal ability to run deficits, local leaders are facing challenges that we've never seen before. I've been a witness at this committee before, and we've said that major economic drivers for Canada are what cities and communities are. These emerging crises represent a destabilizing force of our national economy and the daily lives of all Canadians.

In the absence of significant action from either provincial or federal governments to address severe revenue shortfalls resulting from the COVID-19 pandemic, FCM is calling on all orders of government to work together in partnership. That is why today we are here and why yesterday FCM made an urgent appeal nationwide to the national leadership on behalf of cities and communities across the country. We are calling for emergency operating funding for municipalities, at least \$10 billion in targeted emergency operating funding to all local governments as direct allocations. We propose a hybrid formula based on the gas tax fund with a ridership-based allocation for cities that operate transit systems, much like what was mentioned moments ago.

Next, deliver additional emergency operating funding to individual local governments facing very unique financial pressures related to COVID-19. We ask that there be a commitment to revisit the need for additional operating funding in about four months. We ask that local governments have the ability to transfer unused allocations to the federal gas tax program for capital expenditures to help Canada's economy recover when the time comes.

• (1425)

Make no mistake: Municipal leaders are working flat out to help Canadians through this. We realize that there is a provincial role, one we agree they should not abdicate. However, we can't let the impact of that principle default municipalities into deep austerity. This is simply too urgent. It is simply too serious and requires an immediate federal intervention.

Our federal-municipal partnership, which we're very proud of, has delivered remarkable results, as we know. Deepening that partnership now will protect Canadians through this pandemic. We are ready to work with all of you to ensure Canadians emerge from this crisis as safely as possible.

Thank you again so much for having us all here today. I will be happy to take your questions.

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

We will turn to the Government of the Northwest Territories, with Minister Wawzonek.

**Ms. Caroline Wawzonek (Minister, Department of Finance, Government of the Northwest Territories):** Thank you.

[*Translation*]

Good afternoon, everyone.

Thank you for your invitation.

[*English*]

I am Caroline Wawzonek, Minister of Finance for the Northwest Territories, and Minister of Justice and Attorney General as well.

I'm aiming for five minutes, but I may be one or two over. I'll do my best.

COVID-19 has exposed the depth of economic and social vulnerabilities in the Northwest Territories, particularly in small communities, from health care access to reliance on airlines for our food security to the lack of Internet connectivity in homes. Our non-public sector economy is driven by the mineral resource industry, primarily diamonds. This is a luxury good commodity market that is susceptible to fluctuations outside of our control. Our population has many pre-existing health vulnerabilities, low rates of educational outcomes and a recent history of both individual and collective trauma stemming in part from residential schools. COVID-19 has brought the collective impacts of these realities and other challenges into sharp focus for us.

Even with all this adversity, I am proud of the way the Northwest Territories residents, businesses and communities have rallied to respect the health measures being put in place to minimize COVID-19 and keep it out of our remote communities.

My opening comments now will speak to both the challenges and the opportunities that COVID-19 has brought into focus and the responses we believe are needed to build our strong and sustainable north.

One of our strengths is our people. The Northwest Territories is made up of very strong and resilient people. We are at our best when we work together, as is being demonstrated by the active collaboration between public and indigenous governments.

Another strength is our mineral resources. Significant mineral resource potential across the NWT's vast geography continues to exist. Notable examples are lithium and rare earth minerals, which could gain greater prominence if COVID-19 advances the conversation about increased use of green energy.

The Northwest Territories is a key entry point to the Arctic Ocean and the Northwest Passage. The geopolitical importance of the Arctic, as well as direct economic potential, is unaffected by COVID-19.

As for our cultural diversity, we celebrate and protect 11 official languages in the Northwest Territories. Each one is translated in our legislative assembly. Cultural knowledge, particularly interest in indigenous cultures and language, is an area of growing interest across the world.

Many of our strengths have not been diminished by COVID-19. Anecdotal evidence so far suggests that the aggressive measures announced by the federal government, combined with our own government's support for Northwest Territories residents and businesses, will do much to stabilize the immediate economic situation. We are especially appreciative of the programs that have been targeted specifically for the north, such as the \$8.7 million to support Northwest Territories airlines.

As for the challenges that have been brought into focus by COVID-19, the Northwest Territories has the largest infrastructure deficit in Canada. We have airports that allow limited aircraft, a small handful of emergency shelters in only a few regional centres, and high food insecurity. COVID-19 has highlighted, and in some cases exacerbated, these weaknesses.

I have a few other examples for you. One is education. Every school district right now is struggling to provide web-based schooling, very often without sufficient access to computer hardware in homes and with limited Internet connectivity across the territory.

As for our heat and energy sources, people staying home has resulted in higher energy use in an already very high-cost environment. Most communities rely on diesel fuel to heat their homes. It is often the community's primary electricity generation source. Last you think the recent fuel price drop is at all helpful in this regard, keep in mind that fuel is purchased far in advance and sent to communities on ice roads.

Overcrowded housing and housing insecurity, leading to transient housing, has put more people into contact with one another, and often they are those who are simultaneously suffering from pre-existing lower health conditions. This is a perfect environment for COVID-19 to spread.

A lack of transportation infrastructure results in communities depending on airlines for food and medical supply chains. Those airlines today are in trouble, with at least one having already closed its doors.

At present, we have very limited own-source revenues. Those revenues are now further depleted by our efforts to provide immediate relief to the financial pressures being created by the collective response to COVID-19. In addition, a reduction of revenues resulting from a loss in personal and corporate income taxes as well as in mineral royalties is expected to have a major impact. Although we appreciate the financial help from Canada to date, we certainly will need more.

- (1430)

We already have limited fiscal room, which impacts our ability to be a primary investor in major products and can create fiscal challenges to act as partners if the investment relationship is being pre-defined.

There are some opportunities. We were forced to hit a pause button, of course, on regular government business and the pursuit of our government's priorities in order to contain COVID-19, but as we are beginning to plan our restart we have an opportunity to think about what that restart will look like, with a vision of who we want to be in the future.

We are assessing which projects are shovel-ready but could be delayed due to fiscal constraints. We also have several projects that are what I would call "next-stage ready". These are projects that have some stage of design, planning or permitting. They include, for example, telecommunications connectivity expansion and capacity development; the expansion of the hydroelectricity capacity at the Taltson hydro facility, with a view to moving the Northwest Territories towards cleaner energy in homes and industry, which could then perhaps be a leader in greener mining; the exploration of the Slave geological province, with potential to provide the first direct transportation corridor to Nunavut; the expansion of hydroelectricity transmission lines across the south of the territory; and the introduction and expansion of community-based solar and wind projects.

Here are a few recommendations. One, ensure sufficient borrowing flexibility and a broader diversity of infrastructure investment partnership options, including opportunities for indigenous governments as equity partners. This includes being able to stack funding, in some cases with 100% dollars.

Two, advance the broadband 2020 fund and the promise of broadband access into all homes and communities in the Northwest Territories.

Three, identify social and economic goals within the Arctic and northern policy framework that can be funded for action immediately, or funded for immediate next-stage planning; and commit to doing so in collaboration with the Arctic and northern communities that are eager to be on par with the rest of Canada.

We know countries that invest in the Arctic see real benefits, whether from the natural resources, the access to traditional knowledge, or new opportunities in communications and transportation. We believe this is true of Canada's north as well, and we look forward to being a continuing partner with Canada to achieve that goal.

Thank you.

• (1435)

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

We will turn to Reeve Claire Bolduc, with the regional municipality of Témiscamingue.

Reeve Bolduc, go ahead.

[*Translation*]

**Ms. Claire Bolduc (Reeve, Municipalité régionale de comté de Témiscamingue):** Good afternoon, Mr. Chair.

Members of the committee, thank you for inviting us to contribute to this process and to look at the financial resources in place to support all Canadians during the COVID-19 pandemic.

I'm the elected reeve of the RCM of Témiscamingue. I represent a 19,000 km<sup>2</sup> area with 19 municipalities, a municipal committee and 16,000 residents. There are also four indigenous communities in this area. We have a large number of unorganized areas. The main activities in Témiscamingue involve agriculture, forestry, manufacturing and tourism.

You can see that our area is mainly rural and that its spaces are multi-purpose. As reeve of the RCM, I'm also a member of the board of directors of the Fédération québécoise des municipalités, a voice for the regions in Quebec. We were all surprised by the pandemic. It has shaken and worried us, and it will continue to worry us for a long time. Both the medium-term and long-term effects will have a major impact on activities and on the way society works for a long time.

I want to thank the Canadian government for promptly announcing assistance measures. The government implemented programs and measures very quickly to help people overcome their challenges. On behalf of the residents of Témiscamingue, I want to thank the Government of Canada and all the parties that contributed to this decision. I'll now draw your attention to a few points that I want the government to consider to ensure that its actions achieve the warranted success.

First, the assistance for businesses, as worthwhile as it may be, completely neglects very small businesses. The criteria established for this financial assistance prevent small businesses from accessing it because they don't meet the set thresholds. The businesses are being denied this assistance, which is crucial in rural communities. The businesses are often seasonal, agricultural or tourism businesses. They contribute to the quality of life in communities, villages and municipalities. They also contribute to land use and promote local resources and expertise. We need these businesses to survive the crisis. It would be a real and significant loss if these businesses were to disappear from our regions. We're already losing some businesses and we'll probably lose many more before they can resume operations.

Therefore, would it be possible to think about the set thresholds and about how to help the businesses that don't meet them? These businesses don't fit into the programs. Could they access measures that would qualify them for the valuable assistance put in place?

Furthermore, in recent weeks, we've been living in a world of lockdowns, online purchases and services, telework, telemedicine and distance learning. However, in rural communities, we live far away from services and we need to travel to access them. We don't have access to a quality high-speed Internet network. Our poor-quality network sometimes stops working altogether. We're asking the Canadian government, which has provided major funding to connect rural Canada, to declare high-speed Internet an essential service. Once high-speed Internet is declared an essential service, its rollout will become mandatory and will happen more quickly. In addition, the cost must be comparable for all Canadians.

Lastly, we can't overlook the importance of local media. While Radio-Canada radio has spoken about Témiscamingue only once since the start of the pandemic, our local radio station speaks to the citizens of Témiscamingue every day. Our community television channels broadcast the news and convince people to comply with the measures in place. We need support for our local media.

• (1440)

I'll certainly have other things to say about assistance for municipalities. However, at the very least, these three rules will make it easier for rural areas to get through this difficult situation.

High-speed Internet, support for local media and, most importantly, access to government assistance for very small businesses will make all the difference for rural Canada.

Thank you again for your attention.

I'll stay with you to answer your questions.

[*English*]

**The Chair:** Thank you very much, Madam Bolduc.

We'll turn to the Saskatchewan Association of Rural Municipalities, with Ray Orb, president.

Welcome, Ray.

**Mr. Raymond Orb (President, Saskatchewan Association of Rural Municipalities):** Thank you, Mr. Chair.

My name is Ray Orb, and I'm the president of the Saskatchewan Association of Rural Municipalities, known as SARM. I was born and raised and live in the small farming community of Cupar, northeast of Regina, with a population of 625 people.

SARM represents all 296 RMs in the province and has been the voice of rural municipal government for over 100 years.

I'd like to thank the standing committee for the opportunity to shed some light on challenges rural municipalities in Saskatchewan are facing due to the COVID-19 pandemic. We applaud the federal government's actions aimed at reducing the spread of COVID-19: promoting social distancing and encouraging residents to stay home when possible.



Although we appreciate many of the provisions made in the economic response plan, it is important to note that many in rural Saskatchewan feel left behind by the government's suite of actions. For years, a standing concern for rural Saskatchewan has been broadband, both with connectivity and capacity. The social distancing and isolation measures taken to address COVID-19 underscore the importance of access to reliable, high-speed Internet services.

People are attempting to work remotely and access health care and education from their homes more than ever before. Their inability to do so is resulting in hardship for those in underserved rural areas. As Canadians across the country try to remain connected to family, friends and colleagues via the Internet, many people across Saskatchewan's RMs remain socially isolated.

We believe greater investment and more innovation is needed in RMs to provide access to services that help to safeguard the health and well-being of residents. Connectivity is critically important as rural businesses and agricultural producers begin to look toward economic recovery that includes participating in the new economy online. The years 2019 and 2020 have been exceptionally challenging for Saskatchewan's agricultural producers. Ongoing trade disputes with China, coupled with transportation disruption due to illegal blockades, have significantly affected many farmers financially. Now, the impacts of COVID-19 are causing yet another challenge to our nation's food suppliers.

Agricultural producers are concerned about disruptions to purchasing and delivery of farm inputs such as diesel and fertilizer, and the sale and delivery of their farm production. As operations are affected by uncertainties going into the 2020 production year, the extension of business credit does not provide enough support, as many producers are already heavily indebted. Further measures are required for many agricultural producers to address cash flow issues and continue their operations.

Access to the federal government's business supports, including the Canada emergency wage subsidy and the Canada emergency business account, may be limited because of how farming operations are structured. Some operations are unable to demonstrate their eligibility for federal income and business supports due to industry and business practices. These include things like inconsistent revenue and receiving remuneration through dividends, rather than through more traditional methods. These methods preclude many operations from meeting eligibility requirements.

While steps have been taken to reduce the tax burden on businesses to help manage the impact of COVID-19, the government still proceeded with increases in the federal carbon tax, which severely impacts Canada's agricultural community. The carbon tax increase on April 1 has added to the costs of inputs like fuel, as well as production and transportation. At a time when the government is trying to increase the capital available to businesses, estimates show that in 2020 the federal carbon tax will add at least \$2.38 in costs per acre on an average Saskatchewan grain farm. We are urging the government to exempt agricultural producers from the carbon tax or offer other direct assistance to offset these increased costs.

SARM understands this global pandemic requires a united effort from everyone. Federal, provincial and local governments need to

do their part. In Saskatchewan, RMs are stepping up during COVID-19 to keep key roads open during a time of spring road bans so that rural-based industries like agriculture can move key products as they prepare for another season of producing food to feed communities across the country and the globe. They are providing property tax relief such as deferrals, extending deadlines and forgoing late payment penalties to help struggling ratepayers and businesses. They continue to provide all the essential services that are mandated, even in this time of uncertainty, with limited staffing due to illness, layoffs and budgetary constraints.

• (1445)

Rural municipalities have always faced strict limitations on their ability to generate revenue for the services they provide, because they collect it from taxes on the properties within their boundaries, mostly farmland. COVID-19 and the realities of the economic lockdown are highlighting this fact. We need senior levels of government to realize the negative impacts in the medium and long term on the quality and level of essential services municipalities provide to citizens. Providing services and maintaining essential infrastructure consumes more than 80% of a municipality's incoming revenue. This leaves little ability to reduce costs without cutting back on the municipal services provided.

Coming out of the COVID-19 crisis, as the country requires economic stimulus, please remember RMs when designing stimulus programs. Saskatchewan has the most kilometres of municipal road infrastructure in Canada, at 163,000 kilometres. Rural infrastructure projects, including roads and bridges, are vital to the growth of natural resources, manufacturing, agriculture and tourism industries, and a stimulus program needs to have a small communities component that ensures investments are dedicated to communities of under 5,000 in population and that allows them to focus on strategically repairing the roads and bridges that support these critical industries. Funding needs to be streamlined. A model such as the current gas tax fund is simple and already exists.

In closing, on behalf of Saskatchewan's rural municipalities, thank you to the Standing Committee on Finance for the opportunity to lend our voice to this important conversation.

**The Chair:** Thank you very much, Ray, for raising those points.

Before I turn to the last witness, just to give the members a heads-up on the speaking order for questions, we'll start the six-minute round with Mr. Cooper, followed by Mr. Fragiskatos, Mr. Ste-Marie and Mr. Julian.

We will turn now to the last witness, from the St. John's Board of Trade, Mr. Brandon Ellis.

Go ahead, Brandon.

• (1450)

**Mr. Brandon Ellis (Policy and Advocacy Specialist, St. John's Board of Trade):** Thank you, Mr. Chair. It's good to see you again and good to see the honourable committee members. Thank you for extending an invitation to me to provide evidence for your consideration today.

As you just said, my name is Brandon Ellis, and I am the manager of policy and advocacy for the St. John's Board of Trade. The business community of St. John's, much like the rest of the country, is currently facing unprecedented challenges. Our board has been in constant contact with all levels of government in order to communicate what we have been hearing from our members. The St. John's Board of Trade recognizes that COVID-19 has caused a public health crisis and an economic crisis. The two are intertwined and must be approached with urgency.

We welcome many of the aspects of the government's programs that have been unveiled, the wage subsidy being one of them. Countless jobs will be saved because of the announced measures, but they fall short of supporting many businesses that need help during this time. Many businesses that are not essential services have been operating with skeleton staff or been completely shut down for over a month now. They have been asked to wait two more weeks before funds are available. This is too long, in our estimation, as businesses have been waiting for this support since March.

The government has proven that it can deliver funds quickly and efficiently with the success of the CERB program delivered through the CRA. Canadian businesses need the same urgency in receiving financial help. Several weeks from now will simply be too late, and we will see many businesses close their doors, some permanently. In a survey this week from Restaurants Canada, results showed that one out of every two independent restaurants do not expect to survive if conditions do not improve within the next two months. Among restaurant operators, 75% are either very or extremely concerned about their current level of debt. We know that a majority of smaller businesses do not have enough cash reserves to wait several more weeks for relief. Those affected will likely now place greater demand on the CERB.

In addition, we continue to see many businesses that need help now falling between the policy gaps of support programs. These include, as previously mentioned, sole proprietorships that do not have payrolls but pay themselves through dividends. We must cast a wider, more inclusive net to ensure that all businesses that need help can receive it.

The issue of sole proprietors falling through the cracks is of concern to us. It is unreasonably punitive if businesses are meeting the other requirements for government programs to disqualify them for

not previously incorporating, as some of the rules for a few of the programs are right now. We ask that government extend the CEBA to sole proprietors who have not incorporated.

We have asked government to cast the widest nets possible with the programs that they have developed. Last week, our chair, Andrew Wadden, who is a local lawyer and concerned business owner, wrote to the Minister of National Revenue requesting a full refund of the GST to all small and medium-sized businesses. The Parliamentary Budget Officer has already completed the partial analysis of our ask. It is in our analysis that this will cover many businesses that desperately need funds to stay afloat. We ask that all businesses, not just those that are incorporated, be considered for a GST refund for the GST that they paid between January 1 and December 31, 2019.

As you may be aware, our province is facing significant financial challenges in both our short- and long-term future. We also face challenges in our offshore oil industry, given the current economic uncertainty. This industry has been a vital economic driver within our province and has contributed greatly to Canada as well. If we are discussing what economic recovery looks like in our province, we cannot do so without highlighting our oil and gas sector.

Over the past two decades, our offshore oil has accounted for 25% of our provincial GDP. Economists are projecting that over \$100 billion in royalties and revenues will be accumulated by 2045, and by 2033 oil and gas will generate 19% of all Newfoundland and Labrador jobs. The Newfoundland and Labrador oil industry will provide \$3.3 billion in taxes to the rest of Canada. We encourage the Government of Canada to begin implementing policies that will unleash the full potential of our offshore oil and gas policies and begin amending previous policies, such as Bill C-69, which have been proven problematic.

• (1455)

We also have some thoughts on the commercial rent announcement today. I'd be happy to take any questions the committee may have with respect to that.

Thank you very much, Mr. Chair, committee members and fellow witnesses, for the opportunity to provide testimony. I look forward to answering any questions you may have.

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

Thank you to all the witnesses for your presentations.

Before I go to Mr. Cooper, I'd just like to go to SARM.

Ray, I have a point of clarification. Farm fuel is exempt from the so-called carbon tax. Is it really propane you're talking about?

**Mr. Raymond Orb:** Yes, particularly the propane that's used for grain drying. That's a big issue for some of our farmers.

**The Chair:** Okay. Usually there's a lot of confusion around that, so I just wanted that clarity.

Mr. Cooper, you are on for six minutes.

**Mr. Michael Cooper (St. Albert—Edmonton, CPC):** Thank you, Mr. Chair, and thank you to all of the witnesses for your thoughtful testimony.

There's no question that COVID-19 has created many challenges that municipalities right across Canada are facing, not only in terms of cash flow but also in terms of unanticipated costs that will result in unrecoverable losses.

I'm going to direct my questions to my mayor, Cathy Heron.

Cathy, I'm very pleased that you're able to participate today. I know the City of St. Albert administration recently put forward three different financial scenarios about the impact that the continued closure of the municipal facilities would have. As St. Albert is reflective of many mid-sized municipalities across Canada, I was wondering if you could speak to the fiscal viability of a longer-term shutdown and the difference between, say, a shutdown that might end at the end of May, versus one that goes on into the summer or even into the fall.

From a municipal standpoint, what are the challenges?

**Ms. Cathy Heron:** Thank you, Michael, for putting my name forward to participate today. It has been nice to be here.

I think all municipalities would share the same thought that the length declared for the pandemic and how long we are shutting down our rec facilities, transit and related businesses will impact how municipalities can recover.

St. Albert has three scenarios. Right now we're projecting about a \$4.6-million deficit if we open up on June 1. To me that seems highly unlikely. The Alberta government is probably looking at more like July. If we go all the way to August 1, we're looking at a \$5.6-million deficit, and then if we're all the way into October, which would be hard to deal with, we're looking at \$6 million. That's for a mid-sized city. I'm sure the bigger cities have much bigger numbers, but they would be escalating as time goes on.

Some municipalities will have adequate cash flow reserves. They could liquify investments to deal with this. Some have lines of credit. Some have no access to lines of credit. The economic impact will differ depending on how long we are in this current state. I hope that helps.

**Mr. Michael Cooper:** Yes, thank you.

I understand St. Albert doesn't have a line of credit right now.

**Ms. Cathy Heron:** No, we don't.

**Mr. Michael Cooper:** In your presentation you alluded to St. Albert's COVID-19 recovery plan. Obviously we're in the middle of

the early phase or the mid-phase of this crisis, but now is the time to begin to look forward to what to do in the longer term as we enter the recovery stage, which will hopefully happen sooner rather than later. Maybe you could speak a little more to that and perhaps comment on whether it's a model that other municipalities could look to.

**Ms. Cathy Heron:** I'd be happy to.

St. Albert is kind of fortunate. Our city manager was in the midst of the fires in Fort McMurray, so he is well versed in emergency response and has gotten St. Albert prepared for anything. When this broke out, we were ready to go into action right away. He also suggested that part of the recovery—and he's seen it in Fort McMurray—is extended. It's 18 months to two years, so we wanted to get our task force up and running early.

We have a concept plan that will have some deliverables, and I will be chairing a group of residents. We always have highly educated responsive volunteers in St. Albert, but I will be tapping some particular ones on the shoulder. I want the chambers of commerce involved. I want the development industry involved. I would like an economist sitting there. That's more on the economic recovery side. At the same time, we're going to have some of the not-for-profits sitting there to talk about some of the social and psychosocial needs that municipalities are going to have.

I'm happy to share the bylaw and outline of this recovery task force if anyone wants it.

• (1500)

**Mr. Michael Cooper:** Very good. If you could submit those materials to the clerk, it would be helpful.

I want to address another issue that a lot of people don't associate with St. Albert, and that is homelessness. We are one of the more affluent communities in the province, so many people would be surprised to learn that it is a challenge. Dealing with it is something that you, as mayor, have championed, and you have shown a great deal of leadership.

I was wondering if you might be able to speak to some of the challenges around homelessness during this COVID pandemic, as well as any gaps you see and any additional role for federal leadership.

**Ms. Cathy Heron:** I established a task force on homelessness right after the election in 2017, recognizing that we do have an issue. Sometimes that issue is hidden, especially in affluent communities such as ours, but it does exist. The last counts in our city showed about 160 homeless people, ranging from those on the brink of homelessness to people living rough in our river valley.

As I mentioned earlier, we're part of the Edmonton metropolitan region, so St. Albert does not have access to provincial funds for homelessness. The answer that I always get from our provincial government is to let Edmonton take care of your homeless.

Mayor Don Iveson of Edmonton and I speak frequently about this inadequacy, this unfairness that Edmonton would have to deal with the St. Albert residents and their homeless, so the two of us have been really advocating to try to open up some mats and beds here in St. Albert. I've yet to have support from my provincial government on that. I do know there was some federal support, but it always funnels through the province, so I cannot access it. I have agencies such as The Mustard Seed ready to set up beds in our Salvation Army. We're ready to go. I just need access to the funding so I can take care of my own residents.

The outcomes for the homeless will always be better if they can access those supports within their own municipality, close to their families, close to their friends, close to their hometowns, instead of going into the big city and getting sucked into lifestyles that sometimes are inescapable.

**The Chair:** Okay. I thank you both.

I'll just mention to people that if a question is asked and somebody else wants to answer, raise your hand. I might see you. I can't see everybody on the one screen, so I have to move it to two. Raise your hand, and if I don't see you, yell.

We will turn to Peter Fragiskatos.

Peter, the floor is yours.

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

My questions are for the FCM and Mr. Karsten.

Mr. Karsten, thank you very much for making the case. I'm certainly very cognizant of the challenges faced by municipalities. I'm in touch very regularly, almost daily, with our mayor in London, Ontario, Ed Holder, and with our budget chair, Josh Morgan, who is actually London's representative on the FCM. I believe you know Josh. He's doing an incredible job as well.

Could I ask you about the \$10-billion ask that the FCM has put forward to the federal government? Is this a one-time thing, Mr. Karsten?

**Mr. Bill Karsten:** Thank you for that, Peter. Yes, I know your mayor well, and Josh is a great board member at FCM.

What we called for in the release yesterday is actually for this to be reviewed again in four months' time. I think I mentioned that in my notes. That is important, because we're not predicting at this point what the losses may be in many potential revenue streams, such as revenue loss from property tax deferrals. Some municipali-

ties made some predictions as to what that may be, but we don't have a clear number.

• (1505)

**Mr. Peter Fragiskatos:** I am asking the question, though, Mr. Karsten, to recognize what the release said and what you put to us today. Some are fearful that this could lead to a situation of dependency, such that if the economic crisis before us were to continue, the municipalities would continue to rely on the federal government for large contributions of financial support.

What do you say to that kind of concern?

**Mr. Bill Karsten:** What I say to that, respectfully, is that this is a crisis. We've certainly recognized that COVID-19 was not predicted, and it's an unprecedented time that we live in. Quite frankly, the revenue losses that we're experiencing currently could never have been predicted. When we hear about \$400 million in revenue losses from transit and hear some of the personal examples you've heard from different mayors, I can't predict what the future will hold in other losses.

However, no, the intent is certainly not to become dependent on federal financing. Municipalities have certainly proven in the past, with various governments, that we'll put every dollar we have in our budgets to the best use that we can, and we'll continue to do that.

**Mr. Peter Fragiskatos:** Mr. Karsten, I understand. I don't mean to cut you off. It's just that time is limited, even though we have a very generous chair.

The point I'm making is that certainly I recognize that the ability to raise funds on the part of municipalities is constrained constitutionally. It's completely fair to make the case that you need help. I think you do need help, and I hope the federal government offers assistance, but I just want to know some of the parameters of how that would proceed.

You mentioned the provinces. To your credit, you did say your association realizes that there is a provincial role and that the province shouldn't abdicate its responsibility.

In 2019, the Institute on Municipal Finance and Governance at the University of Toronto put out a paper, which I'm going to quote from briefly as follows:

With the exception of Québec and Newfoundland and Labrador, provincial governments in Canada also levy a property tax. The ostensible rationale for provincial levies is to fund a portion of public schooling, but in fact property taxes are often simply part of provincial general revenue—they are not always earmarked for education.

It then concludes:

...if provincial governments abandoned the property tax, municipalities would have sufficient revenues to meet expenditure needs and would not have to ask for additional tax tools.

Taking that into account, I know you're talking not about additional tax tools, but you're asking for money. I wonder whether the province should look at doing this. I know there have been questions raised as to whether the Ontario government would consider abandoning the provincial property tax.

Does the FCM have a particular view on it?

**Mr. Bill Karsten:** No, we don't. On the property tax itself, certainly there are other reports throughout North America, and probably every provincial association in Canada has looked at that. The actual property tax revenue, based on real assessment, is still the model that's used throughout North America. It is no doubt the model that everyone is currently using.

**Mr. Peter Fragiskatos:** What role should the province have here?

You're making the case that municipalities need assistance. I think one can also make the case that everyone should have skin in the game. What should the province be putting on the table?

You're asking for \$10 billion from the federal government. How much should the province be putting on the table?

**Mr. Bill Karsten:** Again, I appreciate the question. I really, truly do. I know the intent is sincere in terms of having us advocate for talking to the provinces as well, and that's exactly what we're doing.

My respectful answer to you is that this crisis is just too serious and urgent and it just won't wait for a jurisdictional argument. It's about the safety of Canadians and requires immediate federal intervention. What I said yesterday in the press with my colleague Don Iveson, who is the mayor of Edmonton, and in fact, with the mayor of Gatineau, is that we're looking for federal leadership. The Federation of Canadian Municipalities has a partnership with the current federal government. We've had unprecedented gains. We respect that and appreciate it. This is a time for leadership.

• (1510)

**Mr. Peter Fragiskatos:** I understand. I simply hope there's an ask on the part of the provinces. I think the provinces need to step up too.

**Mr. Bill Karsten:** Thanks for referring to it that way, because make no mistake, our mayors across the country and our provincial associations are talking to the province as well.

**The Chair:** Folks, we'll have to end it there. Thank you very much.

Next we'll go to Mr. Ste-Marie, and then on to Mr. Julian.

Gabriel.

[*Translation*]

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

Good afternoon, everyone. I want to acknowledge all the witnesses and thank them for their presentations and the issues that they raised.

Ms. Bolduc, you raised three issues. I want to address them. You said that very small businesses can't access the programs currently in place. Can you provide some examples and suggest possible solutions?

I'll now ask my other questions all at once. You suggested that high-speed Internet be considered an essential service.

Minister Wawzonek asked that funding be made available to continue developing high-speed Internet in the regions. You took things one step further by asking that high-speed Internet be designated an essential service. What does that mean?

You also talked about the importance of supporting local media. Again, can you provide some examples and suggest possible solutions?

**Ms. Claire Bolduc:** Thank you for your questions.

I'll provide a concrete example. A vegetable and fruit farm grows produce only in the summer. Often, the owners don't pay themselves wages, but dividends at the end of the season.

To access the Canada emergency response benefit, Canadian businesses must pay \$20,000 in wages. As a result, some small businesses can't receive the benefit because the wages were paid in dividends. However, this assistance is extremely valuable to businesses, especially this year. Seeds, certain material needed for the production process and some fertilizers have been harder to come by.

The same holds true for tourism businesses and activities. It's more or less the same thing. Since the owners of these businesses are often paid in dividends, the businesses don't qualify for the benefit.

I can also give the example of one of my colleagues who owns 20% of a microbrewery and who is the reeve of his area. He can't access the benefit. According to one of the eligibility criteria, business owners who are also elected officials can't access the benefit. However, this small business is important to his community. These types of people are often called upon to work in the municipal or political sphere because they have strong foresight and development skills. Two types of owners are therefore being denied the proper assistance.

You asked about high-speed Internet. As soon as the Canadian Radio-television and Telecommunications Commission, or the CRTC, declares high-speed Internet an essential service that must be available everywhere, at an equivalent price throughout Canada, we'll have a very different attitude towards the major providers. Currently, the providers are using all the government programs at their disposal to improve the highly profitable service concentrated in urban areas. However, very often, rural areas—farmers, forestry workers and outfitters—don't have access to this service. Tourism businesses have limited access to it.

The providers find it extremely beneficial to use the subsidies and assistance provided by the various levels of government. As a result, the highly profitable area becomes even richer and the other communities are neglected.

The request is clear. It doesn't cost the government anything, since the money has already been announced. However, this will fundamentally change the situation regarding high-speed Internet service.

In terms of local media, the outlets speak to locals about locals. We need these outlets to deliver messages to the public. This measure affects local culture, but it's also a public safety measure. At this time, the outlets have lost very significant advertising revenue. They depend on advertising, but they've lost this type of revenue.

How could the government compensate with appropriate advertising? We're not asking the government to give blank cheques. However, we're asking the government to implement advertising and promotional campaigns. For example, one measure could be to have the government purchase advertising space in various media and offer the space to small and medium-sized businesses. The government would then kill two birds with one stone. The government would support both local media and small businesses.

These measures are worth considering. They cost little, make a significant impact and help ensure the ongoing vitality of rural communities and the regions. These types of measures can easily be implemented.

• (1515)

[*English*]

**The Chair:** We'll have to pick you up in the second round, Gabriel, or right at the second round.

[*Translation*]

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

[*English*]

**The Chair:** It's Mr. Julian. Then, in the next round, we'll start with Mr. Morantz and then move on to Mr. McLeod.

Peter.

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

Thanks to all our witnesses for being here today. We hope that your families are safe and healthy.

This is the federal finance committee, and we know that the federal government gets the majority, the bulk, of tax dollars in this country. It's very appropriate that we have this session today. My questions, of course, will be addressed to two hard-working local mayors who have been putting in time, basically 24-7, since the beginning of this pandemic. I have a question for Mayor Hurley and a question for Mayor Coté to start.

For Mayor Hurley, you mentioned the wage subsidy and the fact that it doesn't apply to municipalities, despite the fact that there have been repeated calls for that to happen. How important is it that the wage subsidy also be available to municipalities? How should it be implemented when it comes to cities?

For Mayor Coté, you've spoken very eloquently about the impacts on the transit system in the Lower Mainland. If the federal government does not provide supports, what are the long-term im-

plications coming out of the pandemic for transit systems both in the Lower Mainland and right across the country?

**Mr. Mike Hurley:** Thanks, Peter, for those couple of questions that I think you've thrown my way.

First of all, if the emergency wage subsidy were extended to municipalities, it would allow us to bring many of our workers back to work and use them in other ways throughout the city. As we all know, this pandemic has led to many social issues within the city. Seniors are not able to get food as they are unable to leave their homes, for one issue. The homeless issue is just picking up like we've never seen it before and, as you know, we have opened up some of our ice rinks to allow the homeless to come in and have a safe and warm place to stay, while being able to keep the social distancing that we all know is so important. Being able to bring our staff back would relieve so much pressure on those two fronts alone, and allow us to do even more than we're doing.

This is what I would propose for how this could be managed within the federal government. Given that the cities, for some many years, have contributed hundreds of millions of dollars towards the UI program, without really any of that money being taken out of the bank, so to speak, from the municipalities' employees over so many years, that could be harmonized, in my view, with the emergency wage subsidy. That could allow us to bring our staff back and put them to work doing the good work that needs to be done in the city.

If the government would harmonize somehow those two benefits for an extra 20%, that would allow us to bring our staff back to work, instead of their being home collecting 55%, and we could start down the road of doing even more in our communities. That is how I would propose that the government could look at this.

• (1520)

**The Chair:** Mayor Coté.

**Mr. Jonathan Coté:** As I mentioned in my opening statement, our transit agency is already looking at implementing cuts of about 40% to our transit system here in metro Vancouver. If, over the next few months, though, we're not able to get provincial and federal support, and continue to lose the revenue that we anticipate even with the cuts, we will have to be looking at a difficult discussion about cutting transit service even more.

I think it is going to be very odd to the general public that, as we move out of the health crisis and move into the economic recovery, we are going to have a failing transportation system that is going to provide fewer and fewer mobility options at the exact time people need more and more options there. I think we're dealing with an immediate financial crisis but also longer-term issues. Our transit is estimating a revenue deficit in the range of between \$450 million to \$700 million this year. Currently we are using our reserves to be able to help support the losses, but these are reserves that were put in place to help maintain and build our transit system. Those reserves would be fully depleted by later this fall, into the end of the year.

I think that certainly should highlight the urgency we face. I also want to be clear that the challenges we face are challenges that are faced by major transit agencies all across the country.

**Mr. Peter Julian:** Thank you for that. I have a brief follow-up question, first to Mayor Côté and then to Mayor Hurley.

You flagged providing support for the homeless. Infrastructure programs need funding. What are the other things, briefly, that the federal government could be doing?

**Mr. Jonathan Côté:** I'll jump in. Our immediate need is the financial challenge that we're facing because of lost revenue, and that's where our focus is. Longer term, as we start to rebuild our communities, rebuild our country after this health crisis, I think agencies like transit agencies would be a perfect fit for shovel-ready infrastructure projects. I think it's a little premature to be getting into that discussion right now, but as we move into the recovery phase, I think that would be an interesting conversation among the federal government and cities and transit agencies about how to deliver infrastructure projects.

**The Chair:** Mayor Hurley, did you want to add to that?

**Mr. Mike Hurley:** For us right now, the immediate need is for our vulnerable populations, our homeless population. We are not getting any support for them from the federal government. Although we hear there's support out there, we haven't been able to see any of it brought our way. Our vulnerable population is exploding, both the homeless and those in danger of being homeless. We alone will not be able to carry the burden of looking after those people for a long period of time, so we need the federal government and the provincial government to assist us in providing the much-needed help for those populations. That would be the immediate ask, outside the wage subsidy so that we could bring our employees back.

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

On that question of infrastructure, I think it's important—this goes to SARM and the Federation of Canadian Municipalities as well—to have them ready to roll out when the time comes. I know how the last one worked is a concern.

We'll turn to Mr. Morantz, and then on to Mr. McLeod for five-minute rounds.

• (1525)

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

Thank you for all the presentations. It's been very interesting. I am extremely familiar with the fiscal box that municipalities find themselves in, as the former chair of finance and infrastructure under Mayor Bowman in the city of Winnipeg. At the risk of sounding like Bill Clinton, I feel your pain.

Mr. Karsten, I think Mayor Hurley raises an interesting point regarding opening up the wage subsidy to municipalities. Why not take that approach as opposed to a direct subsidy mirrored on the per capita distribution structure of the gas tax?

**Mr. Bill Karsten:** Certainly our position all along has been that municipalities should qualify for that, to be perfectly frank. We brought that to cabinet ministers and to the Deputy Prime Minister.

Certainly that was brought up at cabinet, and we were disappointed to hear the Minister of Finance and the Prime Minister say that municipalities would not qualify, but that would still not cover all the losses we're facing.

Certainly in Halifax, as I alluded to, we've let go 1,500 people right now, but that's just casual and part-time workers. As we get deeper into looking at our budgets and looking at all the financial losses we're facing, other things are going to have to go.

You come from a municipal background and thank you for that work. This whole crisis certainly exposes something we've been talking about—and I'm sure Mayor Bowman has been talking about—for a number of years, and that is the outdated fiscal framework we are all in.

**Mr. Marty Morantz:** You just beat me to my next question. For years, we've been advocating for a new deal for municipalities. When I was on council certainly that was a major ask, and I'd appreciate hearing your comments on it.

It's been decades now since municipalities have been asking for new taxation authorities in decision-making and more autonomy over their expenditures. If this had been done years ago, do you think municipalities would be in a better position today to weather this storm?

**Mr. Bill Karsten:** Certainly that's hindsight. My simple response would be yes. It's never too late to have that conversation.

In reality, Marty, the framework is fundamentally misaligned with the modern role that municipalities play, and that has increased in the last four, five, six or seven years. When we're through this, make no mistake, our local leaders will be ready for those tough conversations, of course without opening the Constitution, if that's at all possible. However, today is not the day for that conversation.

I can't stress enough—and I've been in this municipal world now for 16 years—that this is a crisis. When we talk about not knowing what we're going to have to cut two months from now, it is not about the revenue loss in and of itself. It's not about the financial crunch. It's all about the loss of the ability to know what we have to do next. It's going to eventually have to result, unfortunately, in a loss of essential services.

**Mr. Marty Morantz:** Thank you, Bill.

Along that line, I think it's important for people to understand that municipalities must have a hard balance in their budgets. They can't simply start running the money printing press like the federal government can, or even run deficits. When revenue drops like these take place, the effect is immediate, so I appreciate your coming here today and making these points.

I have just one quick question, if I may, Mr. Chair.

Mr. Karsten, on the path forward, does the federation have any thinking going on, planning or policy around opening up the economy again once we get on the other side of this?

• (1530)

**Mr. Bill Karsten:** I alluded to the fact—and we're so very grateful for it—that we have a direct line of communication with Deputy Prime Minister Freeland. We try to meet via conference call once a week with her and/or with Minister of Infrastructure Catherine McKenna. We've certainly talked about what Mr. Easter talked about just now with regard to making sure we have the programs ready to go. We can be major partners in the recovery, certainly through infrastructure and other means, so that conversation is also under way, but it's not our priority today as much as the financial crunch and the crisis we're in.

**Mr. Marty Morantz:** I understand. Thank you.

Those are my questions, Mr. Chair.

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

Next is Mr. McLeod and then Mr. Poilievre.

Pierre, you wanted to raise a point earlier. I didn't see you. Are you okay to wait until your turn?

Okay. We'll go to Mr. McLeod, then.

Michael, you're on.

**Mr. Michael McLeod (Northwest Territories, Lib.):** Thank you, Mr. Chair.

Thank you to all the mayors for their presentations and to everybody who has presented today. I did five terms as the mayor of my small hometown in the Northwest Territories, so I appreciate all the concerns that have been raised and the recommendations.

I also want to welcome Minister Wawzonek and Shaleen Woodward. Thank you for joining us today. I thought the presentation was very informative, and I appreciate it.

I have a couple of questions.

As the minister knows, we in the north are living through some very uncertain times. The last thing that people in NWT wanted was greater uncertainty, but unfortunately we now have the issue that Dominion Diamond Mines is filing for insolvency protection.

Minister, could you talk about some of the measures—I think you flagged the debt limit—the GNWT would like to see the Government of Canada provide greater certainty on, in the immediate future? What does the north need right now? That's my first question.

**Ms. Caroline Wawzonek:** Thank you, Michael.

I'll speak briefly to the mining sector specifically. I'm conscious of the time that you're under here for this round of questions.

The mineral resource sector right now hasn't been able to benefit from any of the measures that have been announced so far by the federal government. The companies, in general, are either too large or their corporate structure is such that they don't qualify; they're ineligible. Right now, we have some industries that have actually taken steps to send their workers home but keep them on the pay-

roll. They've sent those workers home to their remote communities to protect them, to help protect our health care system, yet they haven't been able to access any of the funds, notwithstanding the fact that they, too, are facing serious constraints in terms of any revenue flow as well as continuing high costs. That's one more sector to look at. I know there are a host of asks coming, but that is one that hasn't been addressed yet, and it's one that impacts us significantly across all three territories.

Beyond that, there are the more general things. I know this was referenced a couple of times, but we're now seeing Internet capacity as being a huge issue. Some relief in that regard is helpful, keeping in mind again that there are high fixed costs in the north, high costs of living and high costs of doing business. Whether we take it from the perspective of addressing that at the cost front or whether we take it from the perspective of bringing more cash into the hands of the people or the businesses that are paying those costs, I think we're going to need that flexibility. Sometimes providing the flexibility to the individual community governments, or to provincial and territorial governments, in our case, will help us address those in ways that are actually the most targeted.

Thanks.

**Mr. Michael McLeod:** You mentioned that the GNWT had paused on regular business because of COVID-19. I think the federal government, for the most part, has done the same in terms of the budget that was supposed to have come forward on March 30. It has now been deferred.

As the NWT economy emerges from this pandemic and starts to look at next steps, I want you to talk a little more about what the federal government can do to assist in this recovery.

• (1535)

**Ms. Caroline Wawzonek:** Thank you for that.

There's really no end to the things that the federal government could do for us, to be quite frank about it.

When we put a pause on, we were in the middle of a budget session as well. Rather than push through a budget at the very tail end of our session and at the beginning of the COVID situation, we are right now operating on an interim appropriation. We are heading back sometime in the spring, likely under some sort of varied types of rules—as I know you're experiencing there as well—in order to recall our House and to pass an actual budget. However, where the projections we had previously were for a surplus, we're now going to be looking at likely some very different revenue projections.

There are two things I'd highlight there. One is around the process that we're going to have to go through. We do have a consensus government up here, so our system is a bit different from most of the other provincial and territorial governments across Canada. It's going to take some additional engagement and outreach for us to really bring back a measure of engagement with all the different stakeholders and indigenous governments, community governments, to help assure them that we are identifying what's going on on the ground across the Northwest Territories when we do come back.



In terms of the actual substance of what's happening, with the different revenue projections that we have now, as we try to see into the future as to how COVID-19 will evolve and how our response is going to evolve, there is really little doubt that we're going to need some fiscal flexibility. I think I heard someone earlier talk about putting some "skin in the game". Quite frankly, the territorial government wants to be putting that skin in the game, but we're going to need some flexibility in order to do that effectively, given that our own source revenues right now are really being rather decimated.

Beyond that, it's the idea of looking even further, looking into the future of what we want our economy to be a year from now, two years from now or five years from now, and trying to see this as an opportunity rather than just being mired in the day-to-day business, which we still have to get done. The Arctic and northern policy framework really identifies a lot of the challenges that exist across the north. If we're going to be doing some bigger-picture stimulus, let's look there and find out what our opportunities are that will provide stimulus immediately to get some projects going, whether it's at a planning stage or whether it's actually at a shovel-ready stage. Either one of those will be a benefit. And what can we do to then fix some of these underlying problems that have really come into strong relief? I've heard others talk about some of them.

I see the hand signal going up. I'll stop there.

**The Chair:** Thank you, Minister Wawzonek.

We will go to Pierre Poilievre and then to Sean Fraser.

**Hon. Pierre Poilievre (Carleton, CPC):** Thank you very much, Mr. Chair, and I thank all the witnesses for being here.

We have representatives of municipalities before us today, and it made me reflect on the gargantuan increases in revenue that municipalities have enjoyed over the past three decades.

Back in the early 1990s, the federal government played no role in funding municipal infrastructure. The Chrétien government then made the decision to contribute to funding municipal infrastructure by offering one-third of the cost of some limited number of major projects, and then the Martin government introduced a GST refund and a gas tax initiative.

Then the Harper government came in, doubled the gas tax transfer and massively increased the federal capital budget for municipal infrastructure. Then along came the great global recession, which, while it had a major hit on federal and provincial revenues, did not significantly harm municipal revenues, because the property tax doesn't take the same kind of immediate hit in revenue as income tax and corporate taxes do.

Nevertheless, the federal and provincial governments then poured in about \$40 billion in one-time funding, on top of all the other funding that municipalities regularly get, and did a monstrous, massive federal and provincial uploading of municipal capital costs. The new Trudeau government came in and then again massively increased the transfer for the same things, and then I think in a recent budget they doubled the gas tax transfer. I stand to be corrected on that.

There has been this spectacular increase in revenues for municipalities over the last 30 years. In fact, in the period leading up to 2013, revenues to municipalities were growing twice as fast as the combined rate of inflation and population growth for a decade straight. That's not true for any level of government.

We have seen this absolutely massive increase of revenues to municipalities. Today we're seeing a request for another \$10 billion that will last four months, and then, as I gathered from the testimony, we'll be back again in four months to discuss even more.

We continue to have more and more burden on the backs of federal taxpayers. These are the same people who pay property tax in your municipalities. They don't come from a different planet. They are the same. There's only one taxpayer.

My question is actually for Brandon Ellis, who is with the St. John's Board of Trade and represents the entrepreneurs and businesses that will end up paying for all of this. They're the ones who employ our young people and propel our poor out of poverty by giving them great jobs.

Mr. Ellis, are your members concerned at all about the enormous tax burden they are going to have to pay as a result of the roughly quarter-trillion dollars of new debt that governments are adding this year, and the seemingly endless demands for new spending that are continually being placed on the federal taxpayer?

• (1540)

**Mr. Brandon Ellis:** Thank you, Mr. Poilievre. I appreciate the question.

As noted in my testimony a year ago, and I know several committee members were here, our membership has been consistently concerned for the past 25 years with the high amount of deficit spending. We have a survey out at the present time, and I can forward the results to the committee afterwards, once they're complete, but I would suggest that there would also be concern that high deficits and high spending today will lead to higher taxes tomorrow. I would say there would be a level of concern.

**Hon. Pierre Poilievre:** Understandably so. It was only two years ago that the federal government tried to hammer your members with new taxes, particularly with penalties for small businesses saving within their companies. That looks extremely short-sighted, now that businesses that saved within the company are the ones that are best positioned to weather this storm. We should encourage rather than punish entrepreneurs for that kind of responsible behaviour, but that was what the federal government attempted to do.

Some of the witnesses have commented on how the federal government has an easier ability to borrow on international lending markets, and that is somewhat true, although Bloomberg News reported yesterday that Canada's AAA rating is at risk precisely because the federal government is seen by lenders as vulnerable because of the implied guarantees it has to give provinces and municipalities, and if we do lose our AAA rating at a federal level, we will have to pay higher interest rates on our massive and growing debt, which means less money left over for valued and treasured services.

Do you worry, Mr. Ellis, about the extra burden that a credit downgrade for the federal government might place on the taxpayers that your industry group represents?

**Mr. Brandon Ellis:** Yes, we feel that it might be a significant burden. I spoke with a few of our CPAs yesterday, and they highlighted that as a big concern. They said we are in a weaker position today than we were 10 years ago to come out of any type of economic recession. The CPAs are worried. They're fairly risk-averse. I'm pretty worried as well.

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

Sorry, Pierre, we're quite a bit over.

We'll go to Mr. Fraser. After that, we'll try to get four single questions if we can.

Sean Fraser, you're on.

**Mr. Sean Fraser (Central Nova, Lib.):** Thank you very much.

Thank you to all of our guests for their testimony.

My questions will be, at the beginning, perhaps exclusively for Mr. Karsten with the FCM. It's very good to see you here. I'm torn over the position you have put forward, Mr. Karsten. I fully appreciate the emergency in which municipalities and virtually everyone else have found themselves in recent weeks, but I do find some of the points made by my colleague Mr. Fragiskatos, and Mr. Poilievre just now, to have some real merit.

I want to focus on the portion of your testimony where you recognized that the province has a role to play.

One thing I'm tossing over in my own mind is the notion that this could be a series of provincial governments appearing before the finance committee and saying, "Look, we're in tough shape." I know our guest from Newfoundland could probably testify to that effect for his home province. If they came and said, "Some of the operating costs we're accustomed to, such as paying teachers, are something we would like to have the federal government take over", can you distinguish the ask that municipalities are putting on the table from a situation where the provinces would come up and say, "We've lost a massive source of our revenue too. We're really worried about the future"? Newfoundland has said as much publicly.

I'm curious if you can distinguish that situation for us.

• (1545)

**Mr. Bill Karsten:** Sure. Thank you very much, Sean, for the question.

The distinction is basically as simple as this. As I said a minute ago, these are unrecoverable losses. There's no way, no mechanism that municipalities have to say, "Well, if we impose this or a new way of putting this forward to our residents to pay the property tax, for example, we can recoup that money at some point." We can't run deficits. Yes, theoretically, we could look at ways, potentially, of borrowing money, but how are we going to repay that?

That's where it really lies, and that's why it's such a crisis today. It lies in the fact that, as we discussed briefly with the member from Winnipeg, the fiscal framework for municipalities is broken. This is no time to address that, however, so what other avenue do we have than to basically plead with our federal government?

We are not only all the same taxpayers. We represent the same Canadians. Municipalities are on the front line on a daily basis, delivering the most fundamental services to our residents—the police and fire departments, the services they depend on. When we don't have the revenue coming in, we have to start looking at ways to cut the budgets we face. That is not a very pretty picture.

**Mr. Sean Fraser:** It sounds to me like you may be acknowledging that in a perfect world the proper place for this to go would be through the ordinary funding that we were more accustomed to. Municipalities, being provincial creations more or less, in a perfect situation would have their hands on money through the provincial government. I think you're saying that this is not a perfect situation. Is that more or less the scenario?

**Mr. Bill Karsten:** Sean, thank you for putting it that way. It certainly goes to what I've said before. Yes, we do need the provinces to work with us.

Quite frankly, in my many conversations with the Prime Minister himself, there are those in cabinet who recognize the concerns and the problems that municipalities sometimes have in dealing directly with our provincial counterparts.

What we're calling for, as much as anything.... Yes, the \$10 billion to \$15 billion is what we're looking at as a backstop to our financial losses, but we're—

**Mr. Sean Fraser:** I have limited time here, Mr. Karsten, and I'd like to get one more question in.

In some provinces—I believe in Quebec, but my colleague Mr. Ste-Marie can correct me if I'm mistaken—there are actually laws in place to help discourage direct conversations between the federal government and municipalities. I don't want to pass judgment on that sort of approach, but I anticipate there will be a conversation at some point in time.

If we help out with some sort of emergency operating costs, the provinces may want to get some of that back for other areas where they would normally be partnering with municipalities. Are you worried there might be an impact if we put money up front to keep the doors of municipalities open, or that we may be jeopardizing the opportunity to fully participate in the recovery if, for example, capital investments are not possible because too much was allocated to the operating side?

**The Chair:** Keep the answer as tight as you can, Bill.

**Mr. Bill Karsten:** There's some concern, but again I can only stress that it's federal leadership we need right now. The recovery is the next step. We need to have the crisis that we face right now addressed immediately.

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

I want to go to one question each from Mr. Ste-Marie, Mr. Julian, Mr. Cumming and Ms. Dzerowicz, but before I get there, I have a question for SARM.

Ray, in the last couple of weeks the Canadian Cattlemen's Association, the Canadian Pork Council, the Canadian Federation of Agriculture and a couple of others talked about business risk management, which was cut back in 2013 by about 15%, and also about price insurance for hogs and cattle and a set-aside for the cattle industry. What are you hearing from your membership on those issues, and how does it relate to the grain industry specifically?

• (1550)

**Mr. Raymond Orb:** Of course, the livestock industry is under a lot of pressure right now because of the effects of COVID on some of the packing plants in Alberta. I know we're having conversations with our provincial agriculture minister next week. We have consulted with Minister Bibeau on this, too, and she's aware of the set-aside program. We're concerned about that.

We're concerned about the grain, too, including the movement of it and the workers in the entire industry, including farmers and their families, right up to the point where the grain is delivered and even at the ports. In Vancouver, we had a conversation with the port authority not too long ago.

We have a lot of concerns about that, and we're asking the federal government, in particular Minister Bibeau, to look at AgriStability and AgriInvest. Those are the support systems that cattlemen and grain farmers have. You're right that they have been cut back, and we're asking the federal government to speed up the process to fix them. They're there for a reason. They're not working now, and they need to be repaired.

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

Go ahead, Mr. Ste-Marie.

[*Translation*]

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

First, I want to point out to Mr. Fraser that it's possible to make the funding available while respecting the jurisdictions. Think of the social housing agreement or the money for infrastructure.

I have another question for you, Ms. Bolduc.

In your opinion, what measures could be implemented to help businesses or organizations that provide local services?

**Ms. Claire Bolduc:** First, often very small businesses provide local services, and these businesses can't access funding or loans. Currently, the best way to help them is to give them direct subsidies to make up for the shortfall caused by the last months of the pandemic. The subsidies don't need to be large. The subsidies would enable them to get their activities back on track, because often these businesses can't access funding or loans for their operations or working capital.

Second, the contribution of partners in businesses who participate in municipal, provincial or federal politics must be acknowledged. Entrepreneurs are called upon to participate in politics precisely because they've been successful in managing their businesses. We want them in our communities.

These are two easy ways to meet the needs of businesses that provide local services.

The last way to help them, and perhaps the most important way, would be to emphasize the environmental cost of doing business with companies that come from very far away and to charge for that cost. This would really show the importance of having local businesses. It would be done over the longer term. Of course, it wouldn't happen very quickly, but it would certainly give a tremendous boost to the whole concept of local services.

Lastly, I want to talk about the government's local services. I'm talking more about local provincial services than local federal services. Service Canada offices here are no longer accessible in person. The offices are accessible only online, which means that an entire community can't access tangible services. This also prevents people in rural areas from having well-paying jobs. This may be another way of looking at local services.

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

**Ms. Claire Bolduc:** I hope that this answered your question.

[*English*]

**The Chair:** Thank you both.

Mr. Julian.

**Mr. Peter Julian:** I have a last quick question for Mayor Côté and Mayor Hurley. The federal government has a lot of tools around the banking system. We know locally that credit unions have brought their rates down to zero on credit cards and on lines of credit.

Should the federal government be using its tools to reduce the interest rates and the mortgage penalties that are being paid on deferrals from our big banks in Canada?

• (1555)

**Mr. Mike Hurley:** There's no question in my mind. We've seen it all through our housing crisis, which still exists. In my view, the big banks have a free pass in being part of the solution through that crisis. And in this crisis right now some of our smaller credit unions here in B.C. have stepped up to the plate, lowered their interest rates, and in some cases suspended interest rates for a number of months to allow people to work their way through this.

In my opinion, there's no question that the big banks should be stepping up, freezing the rates, and actually, I believe, freezing payments at this time, and for a number of months, to help our country out. After all, they have profited greatly for many years and been protected by our government, so I think it's time for the big banks to step up and do their part for Canadians.

**The Chair:** Mayor Coté, do you want to add a few words?

**Mr. Jonathan Coté:** I don't have a lot to add on that. I think municipalities and transit agencies do have opportunities to seek debt, although usually our debt financing is for investing in capital projects. We do not seek debt to look at operating deficits.

I think any assistance that can be looked at provincially or federally to reduce our debt servicing costs would be helpful, at least from our immediate perspective. It's not addressing the most immediate crisis that we're currently facing.

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

We'll have a single question from Mr. Cumming, and then Ms. Dzerowicz to wrap it up.

James.

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

This is for Mr. Ellis. Thank you for talking about the importance of the resource sector, an industry that's going to be able to help us generate some revenue after we come out of this crisis. We did hear from the governor of the Bank of Canada about the importance of the resource industry in the economy and the recovery, and you confirmed that.

What are you hearing from your members, specifically those in the resource sector, about what needs to happen to make sure that this industry can thrive in your area?

**Mr. Brandon Ellis:** Thank you very much for the question.

I'll be very quick, Mr. Chair. I encourage everyone on this call to visit [imaginethepotential.ca](http://imaginethepotential.ca). It highlights all the wonderful things that the Newfoundland and Labrador oil and gas sector is all about and has the potential to be all about.

Noia is our oil and gas industry association. From what I've gathered, they're going to be looking for some level of investment from the federal government. I can't comment on what that might be, but what we've heard from our membership just generally is that they would like to see government get out of the way to some extent and allow some of these energy projects to move along.

As I had mentioned in my testimony, Bill C-69 is fairly problematic. We've commented on that, and the Canadian Chamber of Commerce has also commented on that.

**The Chair:** Thanks very much, Mr. Ellis.

Ms. Dzerowicz, you'll have to wrap it up. Go ahead, Julie, with one question.

**Ms. Julie Dzerowicz (Davenport, Lib.):** Yes, thank you so much.

I want to thank everyone for their presentations and for their contributions to the excellent conversation over the last two hours.

My quick last question is for Mr. Karsten. You have done a wonderful job of presenting a proposal at the federal level in terms of the support that you're looking for federally. Can you give us a better idea about the proposal that has gone to the provincial level? Would you elaborate on that?

**Mr. Bill Karsten:** Thank you for that, Julie. It's a great question.

One has to understand, and I'm sure you do, the complexity in terms of.... The Federation of Canadian Municipalities works directly with the members of Parliament, certainly with bureaucrats—in other words, directly with the government and all the other party leaders and their caucuses.

We don't have a direct role like that with the provinces, so it's up to each individual province and territory. We have this whole tapestry of different things going on, and that's why we believe so very firmly that when it's crisis time like this, there is a role for federal leadership. We don't control what goes on with the provinces and the territories. Many mayors are also talking directly, but there's no uniform voice when it comes to that.

• (1600)

**The Chair:** Thank you all.

I know that not everyone got a lot of questions, but your presentations go into evidence. There are others listening to these presentations, and they certainly go up the line and are a great help to the government in what I would call the rolling decision-making we're seeing these days in this pandemic. I want to say a sincere thank you to each and every one of you for coming forward.

We'll turn it back to the clerk so they can do a test with the witnesses for the next panel. The meeting is suspended while they do that. Thank you all.

• (1600)

(Pause)

• (1610)

**The Chair:** I believe we're ready to roll, so I will call the meeting to order.

MPs and witnesses, welcome to the second panel of meeting number 22 of the House of Commons Standing Committee on Finance.

As is well known from the notice that went out, we are operating under the order of reference of Tuesday, March 24, to study the government's response to COVID-19. We're looking forward to the constructive criticism and suggestions that we'll hear from witnesses today.

With that, I want to thank you all for coming. We are under a tight time frame with seven witnesses, so if you can hold your presentations to five minutes or less, it would give us the opportunity for a full round of questions.

We'll start with Adam Brown of the Canadian Alliance of Student Associations.

Welcome, Adam. The floor is yours.

**Mr. Adam Brown (Chair, Canadian Alliance of Student Associations):** Good afternoon, Mr. Chair, esteemed committee members and fellow witnesses.

I would like to start by acknowledging the traditional lands of the people of Treaty No. 7 and region 3 of the Métis Nation of Alberta, from where I am joining you today.

My name is Adam Brown. I am the chair of the Canadian Alliance of Student Associations, or CASA. I am also the vice-president external at the University of Alberta Students' Union and a fifth-year student completing my degree with a focus on business, economics and law.

CASA is a non-partisan, not-for-profit organization that represents over 360,000 students at colleges, polytechnics and universities from coast to coast. Through a formal partnership with the Union étudiante du Québec, with which I will be sharing time today, we are a trusted national student voice.

I'm thankful to have been invited to appear before this committee. I can recall sitting here only months ago to discuss student supports with you in a very different context. Since we last spoke, the COVID-19 global pandemic has brought an abrupt end to the semesters of many students. At a time when students were preparing for final exams and getting ready for a summer of hard work, students' experiences with their education were moved online, and many students who were expecting a summer of work saw those opportunities disappear in a matter of days.

I cannot stress enough how turbulent this experience has been for students across the country. Students, much like the rest of Canada, are dealing with the discomfort of uncertainty. Like many Canadians, we would like to know when we can return to our daily lives, including the classrooms we once enjoyed as part of our routine, the jobs we held to help us get by and the company of friends we cherish so dearly in student life.

As a student leader, I'd like to share my gratitude with all of you for the announcement made earlier this week to support students. Many students will now be supported by either the Canada emergency response benefit or the Canada emergency student benefit, receiving income they otherwise would have lost. I would also like to highlight that students will have a harder time than ever saving for their tuition payments come September, and the generous conditions to both Canada student grants and Canada student loans will help students access and afford their education.

All of this being said, at CASA we believe that any situation can be improved. There is one group we feel was missed in this week's student aid announcement, and that's international students, including those who are stuck in Canada due to the COVID-19 pandemic and are unable to get home. These students have been displaced by

the global pandemic and are stuck in a familiar country, but it is nonetheless a foreign one.

For a moment, pause and put yourself in their shoes. Wouldn't that be a scary experience?

International students stuck in Canada can receive the Canada emergency response benefit if they worked enough, but they are not eligible for the Canada emergency student benefit or many of the employment initiatives previously announced. This means that while many international students are getting by, many others will be left with little to no support from the Canadian government for food, rent or the basic necessities. Let's remember that the COVID-19 pandemic has disrupted international travel, and many cannot return home.

I would now like you to pause again and ask yourselves what you would want a foreign government to do for a Canadian student stuck abroad. We're asking that question at CASA.

Let us not forget that international students are an important part of Canadian campuses. They pay a high value for the education they receive and contribute over \$10 billion to the Canadian economy while doing it. For this, international students deserve support and access to a high-quality education within Canada come September.

• (1615)

[*Translation*]

I want to thank the committee once again for inviting me to come and speak and to represent the voice of Canadian students.

I look forward to answering your questions.

I'll now turn the floor over to my colleague Philippe LeBel from the Quebec Student Union.

**Mr. Philippe LeBel (President of Union étudiante du Québec, Canadian Alliance of Student Associations):** Thank you, Mr. Brown.

I want to thank the committee members for giving us the opportunity to speak here today.

Of course, I won't repeat everything that my colleague said. It goes without saying that the assistance promised by Ottawa this week was highly anticipated.

As a student researcher, I'll be speaking to you today specifically about research and research funding. Of course, the announcement of the extension of research grants is more than welcome. However, to mitigate the impact of the crisis, the assistance must be well managed. There are two important points.

The first point is that there are two types of funding: direct funding and indirect funding. In terms of direct funding, we're talking about students who have received a grant directly from the federal granting agencies because they applied through a competition. In terms of indirect funding, when researchers apply for a grant for a project, they may include a grant for a master's or doctoral student. The planned increase in the duration of the grants must be applied to both direct and indirect funding.

The second point to remember is the funding of the projects. A number of expenses will be incurred during the shutdown period. For example, a great deal of health research requires access to cell lines or animal lines. Maintaining these lines during the social distancing period or starting them up again afterwards will lead to additional costs and time required to complete the projects. For student researchers to be successful, they need more than just money. The financial and technical resources must also be in place so that they can complete their projects.

This concludes my presentation.

Thank you again for the invitation.

[*English*]

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

We will turn to Carleton University. You've been before our committee before, Professor Lee. Please go ahead.

**Dr. Ian Lee (Associate Professor, Carleton University):** Thank you very much, Mr. Chair. I want to thank you for inviting me here.

First, I will make my disclosures very quickly. I do not consult directly or indirectly to anyone anywhere. Second, I have no conflict of interest, as I have no investments in any firms anywhere. Third, I do not belong to or donate money to any political party or allow lawn signs on my property in any election.

Excuse me for looking to the right rather than at my tiny laptop, which has the camera. I have a much larger screen to my right, at 24 inches.

Since the 1960s, Canada has developed a well-deserved reputation for a strong and effective social safety net in multiple areas of Canadian society, including income support for seniors, OAS, GIS and CPP; income support for the unemployed through our famous employment insurance program; social support for low-income people and disadvantaged people; social housing; and child support.

Now the Government of Canada has introduced the Canada emergency student benefit, to last from May until August. I applaud that it is temporary and is delivered through the CRA, which I also strongly endorse. The government has also introduced the Canada student service grant. These are sound innovations that are in addition to previously announced programs.

We can certainly further tweak these various programs here and there, with a nip and a tuck or perhaps even major surgery, but every one of these business and individual programs is premised on several critical, unstated—or at least not adequately discussed—assumptions.

One is that these massive fiscal and monetary spending programs of somewhere near \$200 billion involve—this is the assumption—temporary support for only a few months.

The second assumption is that, as this spending is absolutely essential, we must not discuss or worry about consequences.

The third is that if the pandemic continues without a vaccine—i.e., is not temporary—we must continue spending at these unprecedented levels.

The fourth is that we cannot reopen a significant percentage of firms or employment until the coronavirus is eradicated or mostly gone.

I want to focus on the much larger strategic issues that directly challenge these assumptions. Over the next several months, thousands of firms, overwhelmingly small business firms, are going to die. In the immortal words—and I'm not trying to make light of this at all—of John Cleese from Monty Python, they will not be sleeping; they will cease to be. They will cease to exist. There will be no jobs to return to one day in those firms. Indeed, it is highly conceivable that more small businesses will die in the next 12 months in Canada than will Canadians from the coronavirus. Thus, we must focus government fiscal and monetary policy on ensuring that most of our SMEs survive.

Why? Why am I so hung up on this, if I don't consult with them whatsoever? Here is a quick refresher course.

Statistics Canada data says that there are roughly 1.2 million small businesses in Canada with fewer than 99 employees, which is the definition, and they provide 70% of all the jobs. There are only 22,000 mid-size firms, with 100 to 499 employees, which provide 20%, and the 3,000 large corporations provide 10%.

As I stated at the outset, we have a diverse, well-structured suite of social infrastructure programs for individuals across society, but it's not quite so good on the business side. Indeed, in recent years some demonization of SME entrepreneurs concerning taxation ensured that we did not discuss and understand the critical centrality of SMEs in employment in our economy. Fortunately, those suggestions seem to have disappeared with the crisis.

I'll wrap up in the next minute.

Before turning to important alternative approaches, we must examine at a very broad level where we are. It appears increasingly likely that the federal deficit will reach \$200 billion in 2020, or 10% of GDP. Yes, that's sustainable in the short run, but as I advised this very committee last fall and last spring, it's misleading to argue for the fiscal strength of the Government of Canada at a 30% debt-to-GDP ratio, because when we include the much weaker provincial governments, which is standard practice with OECD measurement, then we're at a 90% debt-to-GDP ratio, and that's before the crisis.

When we calculate the collapse in GDP, the denominator, plus a \$200-billion deficit and the 30% debt-to-GDP number of last year's budget, we are now approaching 50%. When we add in a minimum of two more years of federal spending at \$200 billion a year, we're approaching the debt-to-GDP percentage of Prime Minister Chrétien in 1995, which triggered the largest downsizing in Canadian history. It took three decades—the seventies, eighties and nineties—to achieve what we're going to accomplish in three years.

• (1620)

These numbers demonstrate the gargantuan magnitude, but there are solutions beyond praying for a vaccine.

We need to immediately classify every farm and industry by risk of coronavirus infection using the classification used by Professor Hendrik Streeck, a leading epidemiologist at the University of Bonn. He uses a classification of low-contact, low-risk activities, such as most of retail, excepting bars, restaurants and entertainment, versus high-contact, high-risk activities characterized by many people in close contact for extended periods of time. This refers to bars, restaurants, sporting events, and of course our front-line health care workers and seniors in our seniors homes.

We need to develop a plan—as Germany is doing as we speak, as well as Denmark, Saskatchewan and Quebec—to bring parts of our economy back, with appropriate distancing measures, to ensure the survival of SMEs, employment, our economy and our society.

I thank the committee.

• (1625)

**The Chair:** Thank you very much, Professor Lee.

We'll turn now to Community Food Centres Canada and Mr. Nick Saul, president and CEO.

Go ahead, Nick. The floor is yours.

**Mr. Nick Saul (President and Chief Executive Officer, Community Food Centres Canada):** Good afternoon. Thanks for the invitation to speak today.

My name is Nick Saul. I'm the CEO of Community Food Centres Canada. I'm joined by my colleague Sasha McNicoll, our lead on policy.

CFCC builds health, belonging and social justice in marginalized communities across the country through the power of food. With our national network of 200 organizations, we work to eradicate poverty and food insecurity and to improve the well-being of low-income Canadians. A total of 83% of the people we serve have in-

comes below the low-income measure: 37% are unemployed and 24% are on disability benefits.

I'd like to thank you and the hard-working public servants who have responded so quickly to ensure that as many Canadians as possible receive the financial support they need to get through this crisis. I'd also like to thank Julie Dzerowicz, our member of Parliament, for being such a strong champion of our efforts.

We are grateful for the \$5 million in funding we received from Agriculture and Agri-food Canada to help organizations from coast to coast provide emergency food assistance to the hardest-hit Canadians. These funds have had an immediate positive impact. This comes from Erin Beagle, executive director of Roots to Harvest in Thunder Bay: "There was a lot of uncertainty before, but the funding that came in from CFCC through the federal government allowed us to say, 'Okay, we have the capacity to do this.' It gave some certainty in a time when there is so much uncertainty. It's a relief to people who are already vulnerable and living in poverty. I feel really good about being able to say that we're here, and it wouldn't have been possible" without this funding.

Having said this, we know that millions of Canadians are in distress. There is much work to do to tackle the ever-deepening food insecurity crisis. The Depot, for example, our partner community food centre in Montreal, has seen 110 new applicants for its services per day, as many as they normally handle in a month, and has already spent half their annual food budget over the last 30 days.

Long before the COVID crisis hit, 4.4 million Canadians, or one in eight, were food insecure. Of these, 65% are employed but are still not making enough money to put food on their table. Precarious work, low pay, few hours and no benefits are unfortunately the norm for millions of workers, particularly women, young people and racialized communities. Nearly a third—a third—of people suffering from food insecurity have incomes above the low-income measure. Even for those who have what is considered sufficient income, the cost of living across much of the country makes it impossible to make ends meet.

Recent research that we conducted shows that food insecurity pervades all aspects of people's lives. It takes a toll on their physical and mental health, increases social isolation and cultural exclusion, erodes relationships with loved ones, and creates irreparable harm to the lives of children. These realities cost us billions of dollars each year.

The measures in the federal government's economic response plan, notably the Canada economic response benefit, are a life raft for the many Canadians who have lost their jobs because of the COVID crisis, but we need to continue to find ways to reach people who are still struggling. As the Canadian Centre for Policy Alternatives has surfaced, 1.4 million unemployed Canadians have not received income support from EI or the CERB in April. We were pleased to see the GST/HST credit top-up, which will be invaluable to low- and modest-income Canadians. As this crisis continues, we hope to see another top-up when people receive payments again in July.

In better times, our work is about bringing people together around good food rather than providing them with basic groceries in isolation. While we are proud to be able to help our partners pivot toward providing emergency food assistance to hundreds of thousands of Canadians who are in urgent need, we cannot continue to rely in ordinary times on what should only be an emergency charitable response to provide what should be seen as the basic necessities of life. Like the CERB, any new benefits should start at a level where they create stability by providing a basic income floor below which people cannot fall. That kind of income policy is what should be investigated, as it holds the greatest potential for building greater equity as we emerge from COVID-19.

It's absolutely imperative that we continue to use our federal tax system to support people adequately at all stages of life, for example, by making the disability tax credit refundable, as we suggested in our pre-budget submission. As well, we need to build on the support offered by the Canada child benefit, old age security and the guaranteed income supplement, and to complement them further by better supporting low-income working-age adults by increasing the Canada workers benefit. For working Canadians, we need policies that address precarious employment and drive toward creating better jobs with higher wages and benefits. Together, these approaches will bring us closer to meeting Canada's legal obligation to deliver on the right to food for its citizens.

• (1630)

Societies that reduce inequality increase productivity, educational success, and health and well-being. We all benefit from working to create a more just economy and the social supports that help people participate and bounce back. This will also help us inoculate ourselves from future shocks that are bound to come.

Again, thank you for the attention and your hard work in these difficult times. My colleague Sasha and I look forward to answering any questions you may have and to continuing to work together to build a more equitable Canada.

Thank you.

**The Chair:** Next we have Pierre Céré, spokesperson for the national council of unemployed persons, I believe.

[*Translation*]

**Mr. Pierre Céré (Spokesperson, Conseil national des chômeurs et chômeuses):** Mr. Chair, members of the Standing Committee on Finance, thank you for inviting us and for the opportunity to share our thoughts on the emergency measures put in place by the Canadian government in response to the health crisis.

I am the spokesperson for the Conseil national des chômeurs et chômeuses. As such, I will particularly focus on income replacement measures for workers who have lost their jobs as a result of the COVID-19 pandemic. This pandemic literally shattered the labour world, putting millions of people out of work in one fell swoop. In our recent history, this shock is pretty much unprecedented, except for the Great Depression caused by the stock market crash of 1929.

To date, it is estimated that more than one-third of the labour force has become unemployed. As of April 23, yesterday, 7.1 million people had applied for the Canada emergency response benefit (CERB). That is a huge number. The anxiety over the health crisis has been compounded by the unemployment crisis. As you know, income is central to the lives of people and of families. It's what we use to pay bills, rent or mortgage, groceries, medication and other family needs.

While the Service Canada machine was imploding, with a staggering number of claims for benefits from all directions, while its online system was breaking down, while the telephone lines were no longer being answered, and while the offices were closing, people were wondering what they would live on and what income replacement they would be eligible for in the face of unemployment. We were asking ourselves the same questions, and we had to answer the questions of clearly distraught people who were calling our offices, by the thousands, every day. At first, each day of government silence and lack of clear direction seemed to last a century. Would the employment insurance rules be eased to allow all categories of workers to be protected? Would there be temporary emergency measures instead? We had no idea. The public had no idea and that added to the anxiety. It took more than a week to resolve it all.

In fact, since Parliament passed a one-stop emergency income replacement program, the Canada emergency response benefit, on March 25, the air has been cleared. We felt that people, in general, were beginning to feel reassured. Implementing the CERB on April 6 and the speedy payments helped ease the pressure on families. It is important to acknowledge that the coverage of this program was very broad, including not only wage earners, but also self-employed workers who had lost their jobs as a result of the health crisis. However, we must not forget that there were still major holes in this emergency social safety net.



We took strong action on a number of occasions to highlight those shortcomings, and it is clear that we, like other stakeholders from civil society and the political world, have been heard. I think it is to this government's great credit that it has taken into consideration other points of view and incorporated them into the follow-up to the CERB. These measures were announced last week, on April 15, for seasonal workers at the end of their EI benefits and unable to return to their regular jobs; for people who have come to the end or are coming to the end of their EI benefits; and for workers who have suffered a drop in income because they have shifted from full-time to part-time work. Further action was also announced this week, on April 22, introducing the CESB for students, which we applaud. Frankly speaking, many people breathed a big sigh of relief. It was important to ensure that no one was left behind and that there were no more holes in the social safety net.

I would now like to draw your attention to two things. The first one is factual. Even today, Service Canada's service to the people is dysfunctional and highly insufficient, even chaotic. Across the country, the 600 Service Canada offices are closed and no one is answering the phones. Other than an online form to request a call back, there is absolutely no way to contact anyone at Service Canada. This needs to be fixed as soon as possible. Right now, thousands, if not hundreds of thousands, of claimants are currently blocked and have nowhere to turn.

● (1635)

Second, for a government program to work, people have to know about it and understand it. The government should really launch a major advertising campaign through mainstream media outlets to inform people about the many programs in place, because there are many of them, along with their terms and conditions. There needs to be a real communication plan, which has been sorely lacking to date.

Finally, I cannot conclude without reminding you that a crisis such as the one we are experiencing can become the necessary driver for rethinking the importance of our social benefits. The crisis of the 1930s led to the creation of the unemployment insurance program. World War II led to the introduction of various social programs to ensure a better redistribution of wealth, what we called the welfare state.

With the current crisis, we have seen the shortcomings of our social protections, particularly our EI system. This crisis must prompt us to completely overhaul the program. We cannot know the solutions beforehand, but we need to reflect and come up with modern answers for the realities of our century, including the reality of self-employment, telework and temporary work, the impact of the environmental transition on the labour world, and many other issues.

The COVID-19 crisis may be just one big rehearsal for the next crisis, the climate crisis, which former Supreme Court Justice Louise Arbour recently referred to in a television interview.

We have tremendous challenges ahead of us, and we will have to meet them. We believe that the current government has the political and intellectual capacity to get things started. It must do so by reaching out to constructive opposition as well as to civil society.

Thank you for your attention.

[English]

**The Chair:** Thank you very much, Mr. Céré.

Thank you for those short and concise recommendations.

We turn now to the Corona School of Gymnastics. Agnes Laing is the owner of that school.

Go ahead, Ms. Laing.

**Ms. Agnes Laing (Owner, Corona School of Gymnastics):** Good afternoon, honourable members of Parliament. I want to thank the committee for giving me the opportunity to speak to you.

My name is Agnes Laing. I am the owner and executive director of Corona School of Gymnastics here in Ottawa. Who would have predicted that the name of our school would one day be synonymous with such a devastating global pandemic?

I am grateful that our leaders in Canada have acted with such great care, efficiency and concern for all Canadians. I know that in your attempt to save lives you have also had to deal with a dramatic economic crisis. I understand and embrace the government's decision to shut down all non-essential services.

I stand before you not only as an employer, lifetime coach, mentor and entrepreneur, but also as an expert in the industry of gymnastics. During the last 48 years, I have seen thousands of children come through our doors, generations of families, including our current Prime Minister.

At this time amateur and recreational sports are totally shut down. This will affect the health of our children as well as the thousands of people employed in our sport. To give you an idea of the numbers involved just in the province of Ontario, there are 200 clubs, 118,000 gymnasts and 4,600 coaches and administrators. On a national level, gymnastics is the seventh-largest sport.

At this time I would like to specifically address the dilemma facing the sport of gymnastics. We are not able to practise any form of social distancing due to the nature of our sport. There are many children in restricted areas with coaches required to have hands on for safety. There are many surfaces that are being touched all the time, making transmission inevitable. Gymnastics schools require indoor facilities of 12,000 to 30,000 square feet, which are usually rented, resulting in huge overheads. The total paid in rent, taxes and payroll by gymnastics schools just in Ontario alone is \$62.8 million annually.

In order for our schools to survive, they will need extended support for rent from the government. The average rent in Ontario ranges from \$150,000 to \$250,000 per year, and since there will be no revenue for what is expected to be an extended period of time, we will require assistance to return to our space and be able to reopen when it is safe to do so for our children.

I would also like to emphasize that other sports in this country, like football, soccer, hockey and swimming, are all funded by municipal organizations run by the cities. The sport of gymnastics is on its own.

I would like to give you a sense of what a school like ours, as many others in the country, looks like. This is a unique organization. For us to pick up, leave, and store our equipment is almost an impossibility. Most of the schools have half a million dollars' worth of equipment. If our landlord throws us out, we have nowhere to store the equipment, and once we are ready to re-engage, to find a facility of that size with the specific ceiling height and pits dug into the ground would be financially impossible.

I also want to let you know that 60% of the employees in schools like ours are students. We are very sport-specific, and 87% of those involved in this sport are female. Females make up 78% of our total employees. For people involved in this sport, their skills are not easily adapted to any other kind of teaching.

I thank you for your time, and to end on a lighter note, here's a picture of your Prime Minister as a 12-year-old. I had the pleasure of teaching him.

I'm open for any questions and I welcome them.

• (1640)

**The Chair:** Thank you very much, Ms. Laing. Yes, I think we've seen some of the unique consequences caused by this pandemic to certain institutions and certain industries. I have a couple of grandkids who go to gymnastics as well.

We turn now to Universities Canada. We have Paul Davidson, president, and Wendy Therrien, director.

Paul, you're on.

**Mr. Paul Davidson (President and Chief Executive Officer, Universities Canada):** Good afternoon, Mr. Chair.

What a pleasure it is to see everyone, members of Parliament and witnesses. I can't wait until we can be back together in the same place. Thank you for the invitation. Thanks for conducting this study and thanks for the extraordinary work being done by everyone, witnesses and committee members alike, in this challenging time.

I want to take a short moment of my time to pay tribute to all the people and communities who are grieving the terrible tragedy in Nova Scotia this week.

With me today is Wendy Therrien, who leads our policy and public affairs efforts. She'll be pleased to join in on any questions and answers that may follow.

We've appeared in front of this committee before, but I'll remind you that we represent all 95 universities across the country. Taken

together, Canada's universities are a \$35-billion enterprise and are significant drivers of economic prosperity. They provide employment for over 300,000 people. Universities are anchor institutions in their community, often as the largest employer, with extensive local supply chains. More than half of all university revenues are derived from sources other than the federal or provincial governments.

Canada's universities are also an integral part of the team Canada approach to fighting this pandemic: mitigating the risk, finding a cure and accelerating Canada's economy into recovery. You know, in the space of about 10 days, Canada's universities moved over 1.4 million learners into online education. It was something that couldn't be done in 10 years, it was said, and we achieved it in 10 days. Moreover, 70 universities have created emergency student funds to help provide additional support to those who may have been left stranded or disrupted by the events of the recent weeks. That's on top of the \$2.2 billion in student support that universities provide from their own resources annually.

Thinking about the COVID response, of course universities are active in the race to the vaccine, the race to a treatment, through research investments that the federal government has made. Universities are donating PPE. They've been repurposing dormitories in order to house front-line health workers. That's the case at Western University and other campuses across the country. They're also converting research labs into testing facilities to increase the capacity for testing quickly as universities and all communities step up in this national effort.

Let me extend thanks to the members of the committee and to the government for completely re-creating the social safety net in the space of a few short weeks and for injecting record liquidity to keep the economy moving. As Adam noted a few moments ago, we're especially pleased to see the \$9-billion investment in support measures announced for students earlier this week, including the new CESB, changes to student financial aid, and support for job opportunities, work learning opportunities and volunteer service. These measures are essential to helping young people through the pandemic, ensuring that they can continue their studies in the fall and are able to contribute over their lifetime to building a stronger Canada.

That said, there's still an urgent need to ensure that universities can welcome back these students and offer the high-quality education that students will need to succeed in a post-COVID economy. For students to succeed, universities must be strong. Members of this committee need to know that universities are under severe financial pressure. Significant layoffs and job losses are imminent, and they will imperil universities' ability to help restart the economy and accelerate Canada into recovery.

One of the biggest sources of revenue for Canada's universities and their communities is international student revenue. I've appeared in front of this committee before about this. International students contribute more to Canada's economy than the export of softwood, the export of wheat or the export of auto parts. They contribute \$6 billion in tuition revenues to universities annually. For many institutions, international student revenues contribute over half of all tuition revenues. With closed borders and closed visa application centres, we can anticipate significantly lower international student enrolment for this fall. The loss of these revenues will directly impact all students and the ability of universities to meet the needs of Canadian students.

We're seeking some urgent assistance. We've been working with federal officials to develop a range of measures that will support students, stabilize university operations and contribute to economic recovery. For example, an immediate investment to make more robust online education capacity will do three things.

- (1645)

First, it will enable Canadian students to continue to learn in the event face-to-face instruction is not possible in September for health reasons. Second, it will also enable international students to continue to enrol and prepare to come to Canada when conditions allow. Third, it will strengthen our ability to support people who are currently unemployed and ensure they have access to post-secondary education in a way that enhances their skills and builds human capital.

Previously, we have spoken about the need for upskilling and reskilling and with more than a million Canadians unemployed, there's an opportunity right now to help them with that.

Urgent funding is needed to support the move to new tools and platforms; to provide training for learners, faculty and staff; and to address increasingly sophisticated cybersecurity risks.

A second urgent need is for federal assistance to mitigate the loss of international student revenue. A direct federal transfer or other mechanism will help universities bridge their operations until borders are open and visa processing returns to normal levels.

There is every chance that Canada will emerge stronger in the international education field post-pandemic, but the short-term loss of revenues could be catastrophic.

Finally, as we think about moving to recovery, this committee knows well that universities can implement infrastructure quickly across the country. There are over seven billion dollars' worth of shovel-ready projects that can help meet Canada's inclusive growth goals with green and accessible projects that strengthen the students' experiences and accelerate recovery.

Thanks again for the opportunity to be with you today.

- (1650)

**The Chair:** Thank you very much, Mr. Davidson.

I will give committee members the start-up list for the round of questioning. We will go to Ms. Dancho first. It's your first finance committee meeting, Raquel, and we put you up first. Then we'll go to Mr. Fraser, Mr. Ste-Marie and Mr. Julian.

With that, we will turn to the University of British Columbia, Professor Kevin Milligan.

Kevin, the floor is yours.

**Professor Kevin Milligan (Professor, University of British Columbia):** Thank you, Chair, and thank you for the invitation to appear.

My brief comments will first address some data, followed by thoughts about the future.

For the data, I analyzed the Statistics Canada labour force survey for March, along with economists Tammy Schirle and Mikal Skuterud, for the C.D. Howe Institute. Already in March—and I know that March was the very beginning of this crisis—we can see a very big impact of COVID on the work of Canadians.

Already then, more than 2.2 million Canadians had shifted out of work. It is important to emphasize, however, that you can't just look at the unemployment count, because some didn't move to unemployment. More of them actually shifted to some kind of furlough, meaning that they kept their job but moved to zero or very few hours worked. That's a really important aspect of what's going on in the labour market.

Overall, hours worked dropped by 18% in March compared to February. The hardest-hit occupations were in cultural work, education and food service. It was low-wage earners, women and young people who took the hardest hit. For example, women earning less than \$15 an hour saw a total drop in hours worked of 30%.

That was in March. What's happening now?

The answer is actually hard to know because we lack timely data. Large businesses, small businesses, charities and families are all trying to make very big, important decisions about their future every day, and what they need is fresh data in this fast-moving crisis.

Statistics Canada has reacted effectively by expediting their GDP numbers and putting out some innovative and timely data products. In addition, we now have administrative data on the emergency response benefit three times per week. That's something that was added last week, and that was a very great move to see the government make.

We know from today's update that 7.1 million Canadians are now on the emergency response benefit. As someone else mentioned, that's one-third of our labour force. This is entirely unprecedented in the history of economic statistics. We need more data to guide Canadians' crucial decisions going forward.

Number one, we need provincial breakdowns of the emergency response benefit, because, as we know, some provinces have very different situations from those of other provinces. We need to know that so that local businesses and families can make plans about their economic future.

Number two, as these other new programs begin to take application, like the wage subsidy, the emergency business account, and the emergency student benefit, administrative data on each those, again broken down by province, would be very nice to have. It's not nice to have for academics to play with data; this is for real businesses, real families to make plans about their future in this very uncertain environment.

To close, I want to emphasize that in the middle of this emergency, we need to keep our eyes on a plan for the future. We need to consider how the emergency benefits we are now designing and implementing will serve Canadians in a partially open economy that may be with us for some time.

In addition, we need to give employers and employees clear signals about how we will transition away from emergency benefits when the time is appropriate. These kinds of clear signals about the transition are needed so that everyone can plan, make hiring decisions and make other decisions.

Finally, we need to ensure that we learn lessons from this crisis about how we support unemployed workers, and how we support our public servants who delivered the programs that we really needed when the crisis hit.

Thank you for the opportunity to make the comments.

• (1655)

**The Chair:** Thank you very much, Mr. Milligan.

Before I turn to Raquel, just for regular committee members on the finance committee, we have to think of witnesses for next week's panels. We'll talk about this at the end of this panel.

On Thursday, in the first panel will be the minister and officials on the biweekly report, the pandemic and what the government is doing. For the second panel, I'm suggesting a general panel in which we catch up on witnesses from all kinds of sectors that we may have missed.

The first panel on Friday would be from our regular list, as we proposed before, support for Canadians ineligible for the measures that have been announced to date. The second panel on Friday would be the manufacturing and construction sectors together.

Think about that, and we'll bring that up again at the end of the meeting.

Welcome, Ms. Dancho, to the finance committee. You have six minutes.

**Ms. Raquel Dancho (Kildonan—St. Paul, CPC):** Thank you, Mr. Chair.

It's great to be here today and have the opportunity to question the witnesses. I very much appreciate the thoughtfulness that was put into the remarks at this very challenging time. I appreciated hearing the diversity of opinions on this.

In addition to being the member of Parliament for Kildonan—St. Paul I'm the shadow minister for diversity and inclusion and youth. My job in opposition is to hold the government to account on youth policy on behalf of all Canadians, so I'll be focusing my questions on that today.

I'd like to start with Mr. Adam Brown from the Canadian Alliance of Student Associations.

Mr. Brown, can you tell me how many students you represent nationally?

**Mr. Adam Brown:** We represent 360,000 students nationally. That includes our partnership with Union étudiante du Québec.

**Ms. Raquel Dancho:** Wow, that's a lot.

Mr. Brown, I'm sure you've heard this as well, but we're hearing a lot more about mental health concerns, given isolation and unemployment. People are very concerned. They're unable to leave their homes. We know young people are very active socially.

Have you heard anything from your membership about mental health concerns?

**Mr. Adam Brown:** Absolutely. It's mid to late April, so students are wrapping up final exams right now. They would be heading into what would be a summer of work. With a lot of this happening all at once and students not being able to go to their classrooms, to be around their friends or, as you mentioned, to be out socializing, there is absolutely the concern of greater isolation and how that impacts mental health.

Mr. Davidson can probably speak to that as well, but I know a number of post-secondary institutions have moved mental health services online to the best of their ability. I think in a time where you could say that mental health is—

**Ms. Raquel Dancho:** —critical—

**Mr. Adam Brown:** —there is stress among students, and supports are certainly always welcome and appreciated.

**Ms. Raquel Dancho:** Thank you, Mr. Brown.

Do you get the sense that our students are quite disappointed or even depressed that they don't have their typical summer job opportunities?

**Mr. Adam Brown:** I think a lot of students are always looking forward to working in the summer. In particular, I think it's important to note that many students use the revenue they bring in over the summer to help pay for their tuition in the fall. Looking at the package that was announced earlier this week by the Prime Minister, we're hoping the emergency student benefit will get students through the next few months. We hope the increase in grants as well will help pay for their tuition in the fall.

• (1700)

**Ms. Raquel Dancho:** Thank you, Mr. Brown.

There seem to be mixed emotions on the Prime Minister's announcement, but I appreciate that you like aspects of it. I am concerned that it's not going to help the mental health of students by incentivizing them to stay home and collect the subsidy.

Professor Lee at Carleton University, my understanding is that your expertise is in the employment field. If students forgo opportunities to work this summer, how do you feel this will impact their long-term job prospects and skill development?

**Dr. Ian Lee:** I'm going to defer to Professor Milligan. I think he is the leading authority on employment.

Having said that, I've been studying public policy for my entire adult life as a professor in Ottawa. What else can we do in Ottawa? That's our business in Ottawa. We do politics and policy.

I have also been teaching for 32 years. I've been very privileged to teach remarkably young and dynamic people. On the one hand, this is a terrible, terrible crisis. On the other hand, I think it's falling disproportionately on young people. My paycheque keeps going into the bank. Older people's paycheques roll into the bank. We don't get pay cuts. We don't get laid off.

I've seen it with my own two children, who are young adults. They've been devastated by this and I think this is horrible, but—

**Ms. Raquel Dancho:** Professor Lee, I'm very sorry to cut you off. I only have two minutes left, but I appreciate you—

**Dr. Ian Lee:** I'm optimistic, though, for young people because of their dynamic character.

**Ms. Raquel Dancho:** I am as well, but I'll just keep going because I'm running out of time. I appreciate those remarks for sure. I was an undergrad not too long ago and having a summer job meant I could pay my bills and have that employment and the skill development I depend on today.

Mr. Brown, I want to go back to you briefly with the last minute and a half I have here.

Are you getting a sense from your membership that they are looking to meaningfully contribute to the pandemic response? Before you answer, I want to put some context to that.

We are seeing considerable labour shortages in the food supply chain. We're unable to get the temporary foreign workers we're used to because of border closures because of COVID-19. The Conservatives, you may have heard, recently proposed a solution to both those problems. Having students go to work locally on farms to fill those labour shortages would be incredibly meaningful, given

the fact that we're seeing food shortages and youth don't have employment opportunities.

Do you think that students would be prepared to rise to the challenge and maybe step outside their comfort zone and take a shot at working on a farm?

**Mr. Adam Brown:** It's an interesting question. We've been discussing that internally within our organization as well.

**Ms. Raquel Dancho:** That's good to hear.

**Mr. Adam Brown:** I think, first and foremost, students generally want to find jobs that are within their field of study, where they can gain skills that they can add to their CVs and help grow their careers afterwards. That being said, I think as well the Canada student service grant, hopefully, incentivizes students to get out and really take part constructively in helping our society combat the pandemic.

**Ms. Raquel Dancho:** Yes, I think that's a good point.

**Mr. Adam Brown:** The other thing I would point out as well is that with having students go to work on farms, there are certain costs potentially associated with things like relocation and whatnot. It would be a change, for sure.

**Ms. Raquel Dancho:** I think you raised some good concerns.

I'll just conclude, Chair. I'm running out of time.

The Prime Minister has said that this is a wartime effort. The Conservatives believe that it's time for innovative solutions, thinking outside the box. So why not mobilize our healthiest, most fit population and see if they'd be willing to round out their resumé's, and challenge themselves and further develop their work ethic? I think it might be a good opportunity.

Mr. Brown, perhaps you could discuss that with your membership. Let us know of any positive or negative feedback you get.

**Mr. Adam Brown:** Absolutely, I'll be happy to follow up.

**Ms. Raquel Dancho:** Thanks, Mr. Brown.

**The Chair:** We will have to end that round there.

Next is Mr. Fraser, and then we'll go to Mr. Ste-Marie.

Sean.

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

Let me start by saying thank you to our witnesses. This has been one of the most interesting panels, from my perspective, that we've had on this study to date. Unfortunately, I'll only have time for a few quick questions, so if you could keep your answers short, I'd appreciate it.

I'll start with Professor Milligan.

One issue that has come up previously on this committee has been the issue of a universal basic income. My colleague Mr. Julian has suggested a \$2,000 monthly payment would be appropriate. I know you've had the opportunity to consider this type of an approach. What would the cost be compared to an ordinary spending cycle for the Government of Canada?

Maybe we'll start there and follow up where the answers take us.

• (1705)

**Prof. Kevin Milligan:** Sure. Of course, the cost depends on the structure that you put on such a benefit. As a starting place, if you imagined sending out \$2,000 a month to every Canadian adult, that would be 30 million adults. If you carry the number of zeroes there, that's \$60 billion a month. Our GDP is about \$200 billion a month, so that's about 30% of GDP just for that income support, before you help out small business, big business, the cultural sector and other sectors. That seems like a lot of money to put in one pot.

**Mr. Sean Fraser:** If I go from there—let's forget whether it's an affordable plan—the logistics of the idea are the things I worry about. I think there is sometimes a mistaken assumption that there's a “send money now” button sitting in the Department of Finance offices somewhere.

Can you give your opinion as to whether the measures that we have implemented through the CERB, the GST rebate, Canada child benefit enhancements, etc., are actually more effective to get money to perhaps a better targeted group of Canadians more quickly than it would have been to create a database that would send money directly to every Canadian, whether they have lost income or not?

**Prof. Kevin Milligan:** When you think about models of basic income transfers, if we had time to implement such a thing, of course, we're smart people, we know how to figure out administrative systems, you could perhaps find a way to implement that. That's not really a barrier when you're thinking about a long-run kind of program that you might think about and have a couple of years to put in place.

That wasn't the situation we were in here. Here we were in a situation where Canadians needed income as soon as possible. In looking at the decision that was made to use the application-based system of the emergency relief benefit through the CRA, my understanding is that was as fast as things could be done. There was no “send money now” button sitting on anyone's desk.

If we had used, for example, the 2018 tax filer database, well, first you'd have to reverse engineer that database to send money in the other direction. Second, you'd have to at least clean it up a bit because some people have died, unfortunately, some people have been born, some people have moved, there's banking information. All those things, when you're doing them 30 million times, take time to do.

There was a choice made that the emergency relief benefit was going to be faster than doing it through the existing tax database. I think the proof is in the fact that they did get this money out by early April and a lot of Canadians benefited from it. I think a lot of Canadians are happy with that.

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

I have a final question for you, Professor Milligan.

You mentioned that at a certain point in time we're going to have to send a clear signal to allow Canadians to plan based on the timing of when these benefits will no longer exist, because they are temporary in nature. When will we know the time has come to pull the band-aid off, so to speak, so that Canadians can adjust back to a market-based economy rather than one that's being propped up by very necessary emergency benefits in the interim?

**Prof. Kevin Milligan:** My easy response is that I listen to the scientists and the medical experts on that question, but we also have to be ready as economists and policy analysts to make moves once we hear there is a transition to be made, listening to the health experts. What I mean is thinking about the hiring decision. A company that might be responding to the wage subsidy wants to know whether it's going to be there in June, July or August if they're making a hiring decision in May. It might be the case that the wage subsidy is smoothed out over time and goes down from 75% towards 0% over a number of months. That's one possibility. That's information we want the companies to have when they're making hiring decisions.

I understand that we cannot put deadlines on things right now without having more information about the course of the virus, because as others have said, the virus sets the timeline. However, we need to be ready when the time is there. We need to think about how we can phase these programs out so that we can get back to an economy that works for all Canadians.

**Mr. Sean Fraser:** Mr. Chair, is there any time remaining?

Very quickly, Mr. Brown, thank you for the work you're doing. I'm a former student leader and CASA alumnus and I appreciate your being back in committee with us today.

For what it's worth, following up on Ms. Dancho's comment, I got off the phone with the Nova Scotia Federation of Agriculture earlier today, who were very curious to see if the new Canada student service grants would potentially allow students to, essentially, volunteer in food production to take advantage of that benefit.

My question for you is based on the unique challenges that students are obviously facing, not only having to provide for their cost of living but also to save for tuition in the fall. Some students will qualify for the CERB, and others for the new Canada emergency student benefit. However, in the absence of programs that expand grants, student loans or this new Canada student service grant, I'm curious whether you think the consequence would be that a significant number of your members would not be able to afford their education and might not return to school this September when the next semester commences.

• (1710)

**Mr. Adam Brown:** Absolutely. When you look at how different provincial governments are handling it as well, I think a very sound federal response, as has been done with the doubling of the Canada student grant in particular, will help students, particularly those from low- and middle-income financial backgrounds, head back to school in the fall.

**Mr. Sean Fraser:** That's my time.

Thank you, Mr. Chair.

**The Chair:** Yes, that's your time.

Thank you all.

Next we'll go to Mr. Ste-Marie, and then to Mr. Julian.

[*Translation*]

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

First, I would like to thank all the witnesses for their very constructive presentations. My first question is for Mr. LeBel.

Mr. LeBel, could you share with us your concerns about the reality of international students?

**Mr. Philippe LeBel:** My colleague Adam Brown talked at length about it.

At the moment, many international students do not know whether they will be able to stay in the country or come back in September to start the next session. Many people would like to stay in Canada to avoid the epidemiological risk associated with travel. They would also like to have financial assistance and to work during the summer. Right now, Immigration, Refugees and Citizenship Canada has many questions to answer.

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

My next question is for Mr. Céré, whom I also thank for his presentation.

In the event of bankruptcy, workers' and retirees' pension funds are poorly protected because they are not considered a priority in the legislation. Even the federal government takes precedence over them. The White Birch plant and Sears are sad examples.

With the current crisis, would it not be appropriate to act immediately to protect pension funds before we see a possible wave of bankruptcies?

**Mr. Pierre Céré:** Is your question for me?

**Mr. Gabriel Ste-Marie:** Yes.

**Mr. Pierre Céré:** Okay. How do you see that? The pension fund issue is not my expertise. My little area is employment insurance, which is the income replacement for workers who have lost their jobs.

I imagine that you yourself have thought about possible solutions to protect pension funds. What do you have in mind?

**Mr. Gabriel Ste-Marie:** Yes, absolutely.

In bankruptcy proceedings, creditors go to the front of the line and pension funds come last. When the assets are liquidated, workers who have contributed all their lives to a pension fund may well see their nest eggs fade into thin air. So we are concerned about the possibility of bankruptcies.

**Mr. Pierre Céré:** It is a great concern, yes. If there is a danger of it, those people must be protected. Income is central to people's lives. Health is also important, of course, but income allows people to provide for their families and to pay for their groceries, rent or mortgage, and their medication. One day, they will have to fall back on their pension income, and, if it is affected because of an economic situation like the one we are in right now, safeguards will have to be put in place.

If you ask me what those measures might be, I would say that some sort of think tank must be set up. Sometimes, we also must think fast and act just as fast. To intervene quickly does not mean that we dispense with the process of due consideration. You have to think first and then come up with solutions quickly.

This is a very important issue. People have to address it and come up with solutions fairly quickly, especially if pension funds are likely to be affected, as you have pointed out.

**Mr. Gabriel Ste-Marie:** I would also like to remind you that the Governor of the Bank of Canada, Stephen Poloz, has appeared before the committee. He was concerned about the limits of employment insurance, which does not provide adequate coverage for workers who lose their jobs. He said that the Bank of Canada's ability to act, for example, by setting low interest rates, was limited. The economy would actually be stabilized through government programs. He pointed out that employment insurance covered too few people who lose their jobs.

I therefore liked your suggestion that, once the crisis is over, we focus on the employment insurance program and the measures to be taken to provide better coverage. I would like to hear your comments on that.

• (1715)

**Mr. Pierre Céré:** We absolutely have to do that. It is the main social program for income replacement in the event of unemployment. As for the current crisis, this program essentially collapsed in the first week. It was not ready to face such a crisis, and that is not right. Let me quote the President of the Treasury Board, who, on April 11, gave an in-depth interview to the Quebec City daily *Le Soleil*.

In terms of the employment insurance system, *Le Soleil* said that “the employment insurance net had too many holes, did not cover enough, and it has not been reformed quickly enough.” Created at the end of World War II, the program “was not adequate” for the current crisis, according to him. He added that “we can and must do even better.”

The employment insurance system should have been able to respond to the crisis we have been experiencing starting in mid-March, even if it was sudden, but it was unable to do so because it is complicated, cumbersome and bureaucratic. One in five workers is denied employment insurance when they lose their jobs, and it was becoming terribly complicated to open up the system to sections of the labour force that are excluded. I am thinking, for example, of self-employed workers. They represent 15% of the labour force and they are excluded from employment insurance.

The government had to react by putting in place an emergency program and it managed to plug the holes. Good for them. After this crisis, which may just be a dress rehearsal for a future crisis, this program needs to be rethought and modernized with all political and civil society stakeholders.

[English]

**The Chair:** Thank you all.

[Translation]

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

[English]

**The Chair:** We'll turn to Mr. Julian, and he'll be followed by Mr. Poilievre and then Ms. Dzerowicz.

Go ahead, Peter.

**Mr. Peter Julian:** Thanks very much, Mr. Chair.

Thank you to all our witnesses for being here today and for the valuable work you do.

I have some short questions, and I'll start with Mr. Milligan.

Are you aware, Mr. Milligan, that the emergency response benefit, as the minister has admitted, goes to everybody who applies right now? It's already universal. The problem, of course, is what happens at the back end when those people in need are punished.

Were you aware that it's a universal benefit?

**Prof. Kevin Milligan:** I'm certainly aware that there is an attestation box, and after you click it, you get the benefit.

I certainly trust all Canadians to read carefully to what they are attesting. I hope all Canadians will take that seriously.

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

We have a universal benefit. The problem is that many people are missing and don't fit into the cubbyholes the government has put in place. They will be penalized and forced to pay back the benefit when they are hugely in debt and in difficulty. Many other countries have already put in place a universal benefit, such as France and the United States, so the idea that a universal benefit is something that is beyond our scope is simply wrong. I thought it was important to mention that.

[Translation]

Mr. Céré, since so many people do not have jobs and cannot access the Canada emergency response benefit because of all the conditions and barriers in place, would it not be better to have a universal Canada emergency response benefit? That way, someone who was already unemployed before the crisis could access this benefit without having to pay it back this summer.

**Mr. Pierre Céré:** What is clear to us is that we need to rethink the whole social security system. Today, we call it employment insurance, but, for over 50 years, we called it unemployment insurance.

Not all solutions are written down and calculated in advance, and there are many opinions in a society. All opinions must be heard. I have already seen people start to come forward. I have seen 50 senators speak out on the importance of an income security program like this one. I applaud that initiative.

However, we will need to listen to all levels of society and find the most balanced solution that best meets the needs of workers who regularly find themselves between jobs or, as in the current case, in a very serious crisis and in need of replacement income.

• (1720)

[English]

**Mr. Peter Julian:** Thank you very much for that.

I'm certainly seeing in my riding and across the country so many people who are missing out. We've talked about the figures of those who have accessed the emergency benefit. There are millions of people who can't, and they are suffering. They're struggling to put food on the table. They're struggling to keep a roof over their heads. That is why Jagmeet Singh and others, like the 50 senators you mentioned, have proposed that this be a universal benefit. It's already constructed to be so; it's just that there are all these obstacles put in people's way.

Mr. Brown and Mr. Saul, you very eloquently spoke to the number of people being left behind, including international students, so my question will go to the two of you.

Would it not simply be easier to remove the barriers around the universal benefit so that international students and others who are jobless and struggling to put food on the table could access it?

First Mr. Brown, then Mr. Saul.

**Mr. Adam Brown:** To my knowledge, international students are able to take advantage of the CERB. One thing puzzled us when the Canada emergency student benefit was announced earlier this week: We weren't sure why international students aren't able to take advantage of it. International students currently have limitations on the number of hours they work, so the revenue they can get can vary depending on how they use that.

We are hoping that international students are taking advantage of the CERB as much as they can, but it would be preferable to see the CESB opened up to them as well.

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

Mr. Saul.



**Mr. Nick Saul:** I would certainly be in favour of opening the gates as much as possible to accessing CERB. Whether this collective vulnerability we're all experiencing as a society galvanizes a new kind of conversation in our country about how much we support people who have basically fallen out of the economy and fallen out of society...I think it's a very important one.

We have to have the courage to say there is a number that no one should fall below. Whether it's \$2,000, \$2,500 or \$3,000, that's a conversation to have. Then you could argue that perhaps it's better to reform EI, accelerate the Canada housing benefit and the workers benefit and implement pharmacare.

I think we need to have the courage to say that far too many of our fellow citizens are completely being ignored. That costs us. Morally it costs us. We are signatories to the International Covenant on Economic, Social and Cultural Rights, which is about the right to food, and we are failing that miserably.

I'm all for supporting as many people as possible to ensure that they can put food on their tables regularly, and we're not doing that right now.

**The Chair:** We will have to move on. You only have nine seconds Peter, and I know you can't do it all in nine.

We'll turn to five-minute rounds. Mr. Poilievre is first, then Ms. Dzerowicz.

**Hon. Pierre Poilievre:** [*Technical difficulty—Editor*] do any paid policy work for the Government of Canada or for the Liberal Party of Canada?

**Prof. Kevin Milligan:** Thanks for the question. It's always a pleasure to take a question from the member.

I have given policy advice over the last few weeks to the Government of Canada. I have not taken pay for it.

What I can say is that I'm a professor at a public university and paid by tax dollars, and I think it's my duty to take calls from—

**Hon. Pierre Poilievre:** No, no, sorry, just.... We're very limited in time—

**Prof. Kevin Milligan:** I have the floor, please, remember.

**Mr. Pierre Poilievre:** —very limited in time—

**Prof. Kevin Milligan:** I have the floor.

**Mr. Pierre Poilievre:** —very limited in time—

**Prof. Kevin Milligan:** I'm trying to answer your question, sir.

**Hon. Pierre Poilievre:** But you're not answering the question.

**Prof. Kevin Milligan:** I would like to answer your question.

**Hon. Pierre Poilievre:** Please do, then. Please try.

**Prof. Kevin Milligan:** Sure.

I do take policy questions when they come from the Department of Finance, when they come from the Prime Minister's Office, and also when they come from an opposition member who's looking for some help on a private member's bill, as you would know from the summer of 2017, when you gave me a call to get some advice.

**Mr. Pierre Poilievre:** I did.

**Prof. Kevin Milligan:** I was happy to do it. It was a solid bill. I will do it again.

• (1725)

**Hon. Pierre Poilievre:** Okay. Great.

I'll just ask the question again, because you didn't come close to answering it. Do you, or any organization for which you work, do any paid policy work for the Government of Canada or for the Liberal Party of Canada? Just give a quick yes or no on whether you've done it over, say, the last five years.

**Prof. Kevin Milligan:** I've taken no money from the Liberal Party of Canada. I do currently have a contract through ESDC about a microeconomic simulation.

**Hon. Pierre Poilievre:** Excellent. Thank you very much.

My next question relates to the debt as a share of GDP. We've had numerous economists, you included, make the case that debt is benign, that the government's debt as a share of GDP is 30%, and therefore we ought not to be worried about it. But the people who make this argument forget that the debt that the economy of Canada has to support is not just of one level of government. If you take all levels of government, our-debt to GDP ratio, according to the IMF, is now 89%. On top of that, we have corporate and household debt, the combined total of which is 356% of GDP, which is the second-highest in the G7—the only one bigger is Japan—and near an all-time record. The record was in 2016.

Do you believe, Dr. Milligan, it is sustainable for us to continue to add to our total debt as a nation when it was already 3.5 times the size of our economy in 2018, before the coronavirus struck?

**Prof. Kevin Milligan:** I think what's important for our fiscal policy, whether it's federal, provincial or thinking of everything together, is to have a fiscal policy that is sustainable in the long run. What we're facing right now in the current crisis is an extraordinary circumstance. By partially shutting down the economy, debt is being created. That debt might be in the form of households taking on more debt. It might be in the form of businesses taking on more debt. If they were to go bankrupt, it would be in the form of banks taking on more debt.

Now, on the debt that is being created, what we're doing is reallocating that debt from the household sector and from the business sector, some of it going to the public sector. The question here is not whether we should have debt, but how we allocate it across sectors. That debt is being generated by the virus. It's not being generated by anything else right now. The question is how we allocate it. There is some question of what should go on the federal books, on the provincial, and how much the household and business sector can sustain. I think that's a very healthy conversation to have now.

**Hon. Pierre Poilievre:** Right. But the conversation you're not having is the shell game of moving debt from this side of the table to that side of the table. All of that debt has to be supported by the same table, which is the Canadian economy. The quantum total of debt is now 3.5 times the size of our GDP. The existing government added, with your vocal support, roughly \$100 billion to the debt before the first case of coronavirus was ever detected here in Canada. That goes to our total debt. It's not that it lifted debt off of someone else's back. It increased the total debt that the Canadian economy has to support. As a result, after this is over we will have a greater burden on our shoulders and less manoeuvrability.

You talked about the future. Do you believe we have to return to a balanced budget at the federal level at any point, or do you believe we can just continue to add to our national debt even after the economy is fully reopened?

**Prof. Kevin Milligan:** I hope the member would agree with me that when the crisis has calmed down and partially abated, it will be time to take stock of our fiscal policy to ensure that it is sustainable for the long run. I certainly would agree that we need to have a sustainable policy and that the emergency measures that we have are not sustainable for the long run. What we have now are extraordinary emergency measures.

What I would counsel the committee and the government is that we should not worry right now in the course of the emergency about the sustainability of the measures that are being taken right now, because if we have too much concern about that, that will mean paring back the measures that are supporting Canadian families and supporting Canadian businesses right now, which are going to allow them to survive. That income we're transferring to them now is what will give us the best boost to restart the economy on the other side of the crisis. I think every penny of that is well spent.

• (1730)

**The Chair:** Okay, we're slightly over, Pierre. We have to end it there.

We go now to Ms. Dzerowicz and then on to Mr. Cumming.

**Ms. Julie Dzerowicz:** Great. Thank you so much, Mr. Chair. Thanks so much to everyone for the wonderful presentations and for this very important conversation.

We have a lot of people on, and I can direct my questions to only a few people because I have less than five minutes. I'm going to direct my first question to Mr. Saul from the Community Food Centres Canada.

You mentioned there was an announcement by the federal government of \$100 million to improve access to food for Canadians who are facing difficulties, whether social needs or economic needs. I know that the Community Food Centres Canada did receive some of that money.

My question to you is twofold. First, do we yet have an idea about the increased need at our food banks, in terms of the numbers and of who is actually going to these food banks? That's part one.

The second part of the question is what more do you feel we have to do around food security right now, not only in our cities but along the line?

Could you take a stab at responding to that?

**Mr. Nick Saul:** Having spoken to some of the leaders in the emergency food space, I think I can safely say that demand is up by anywhere between 25% and 50%, depending on the region. I think we need to be very clear that the sector was hemorrhaging long before COVID came in. The vast majority of people who are food insecure in this country would never visit a food bank for a whole variety of reasons, which I won't get into here.

The folks who are showing up—racialized communities, women, young people—are groups that have historically been marginalized, and COVID has absolutely magnified that problem. Let's be very clear that people have been affected disproportionately by COVID. There's simply no way you can self-isolate if you're one of five people in a single apartment with one bathroom. There's no way if you're poorly employed that you're going to find a flexible employer, and there's no way you're going to buy extra food, because you simply have no money, often, to buy food in the first place.

There is much anxiety and stress in communities across this country, and many people showing up for the first time because they were shed from the labour market and they're showing up and saying, "I need help".

For the short term I think the \$100 million that was released, as I said in my remarks, has had a very good impact and supported many people through a very difficult time and will continue to be important in the medium term.

However, I think we do need to return to social supports and building incomes that will fireproof us over the long term. I've talked about some of those things. It is about income. Food will not solve hunger. Income will, and we need to have a strong social infrastructure and an economy that produces jobs that support people to actually make a living and take care of themselves and their families.

**Ms. Julie Dzerowicz:** Thank you so much.

My next question is related to comments that Professor Milligan and Mr. Céré made.

Professor Milligan, you mentioned that there's data that we should be gathering that we're not gathering.

Mr. Céré, you mentioned that the pandemic is presenting us with an opportunity to think about how we can shift our social welfare system to a system that will better support our workforce in the 21st century. You didn't use those exact words, but I'm paraphrasing you.

I'm wondering, Professor Milligan, if you could start off by being a little bit clearer about what data we should be gathering, because I truly believe we should be gathering more data and that we should be very aware of what.

Mr. Céré, I'll ask you for any comments about additional data that you think we need to have, and we'll go from there.

**Prof. Kevin Milligan:** For some aspects of data, Statistics Canada has to go out to the provinces or to Canadians and do a survey, and it can take a long time. For other pieces of data and data sources, the Government of Canada is already collecting it. This is what we call “administrative data”, data that's used in the administration of programs. We see that in the emergency response benefit.

Now, as of last week, they're updating the number of applicants to the emergency relief benefit three times a week, which is why we know there are now 7.1 million Canadians who are on that benefit. That's exactly the kind of thing we need, but we need to make sure that we have that very timely up-to-the-day data for the other emergency benefits being put in place. That's one aspect of it, but we can do better than that by using the same kinds of administrative data in different government sources and making sure they become available in a secure and privacy-compliant format to inform the policy decisions and the decisions of all Canadians that need to be made.

• (1735)

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

Mr. Céré, I don't know if you have anything to add to that.

**The Chair:** Mr. Céré, do you have anything to add?

[*Translation*]

**Mr. Pierre Céré:** We understand that the employment insurance system was not prepared for a situation like the one we have experienced. It is truly a cataclysm. Currently, the employment insurance plan protects only 45% of workers. It leaves out large segments of the population, and this crisis has shown us that.

There are approximately 20 million people in the labour force in Canada, 15% of whom are self-employed. They have no protection through employment insurance, aside from a few sickness benefits. It's a bit complicated, and few have paid into it.

Given gig employment and the many changes in the working world, such as telework, there will be environmental transitions. These will transform the working world, and the employment insurance program is not ready for that at this time. That is why the government must start the vast initiative needed to reflect on all of this and give us a modern system.

[*English*]

**The Chair:** Thank you, Mr. Céré.

Yes, I think there are going to be some lessons learned by the time we come out of this.

We will now turn to Mr. Cumming and then go on to Peter Fragiskatos.

Go ahead, James.

**Mr. James Cumming:** Thank you, Mr. Chair.

Thank you to all the witnesses today.

My first questions are for Mr. Brown.

I know it may not look like it, but I was a student at one time. One of the things that I recall quite fondly about my time as a student was that summer work wasn't just work to be able to pay my

tuition; it was about an experience and about being able to get out and contribute.

My question for you follows up a little bit what Raquel was speaking about. Do you not think that we should have something tied to helping out the food industry or those businesses that are still open or those front-line businesses that certainly need help? I've heard from the engineering school in our province, and they have suggested that they could put many students to work on research projects.

I would just like to get your feeling on that. I think students want to contribute rather than just take the benefit.

**Mr. Adam Brown:** Absolutely. I think there are two parts to that. The first is that with students going to work in this situation where the virus is still very alive and well in Canada, we need to make sure that they are going into workplaces that are secure and safe for them, or that they are doing work from home that can be done at home.

I think that hiring students, whether for various research projects or within other industries that are helping to combat this crisis, is helpful. I certainly hope that the student service grant can be used in situations where companies or organizations may not be able to pay students in that way as well.

**Mr. James Cumming:** I wasn't suggesting putting them into an unsafe environment. In fact, I think anything they do would be regulated, and we would follow proper health standards.

I want to follow up that and have you follow it up with your members. There's going to be a food crisis, and I think there's a huge opportunity for students to be able to help in that area as it becomes more difficult to get foreign workers into the province.

I want to shift to Mr. Lee.

Mr. Lee, in your testimony today, one of the things that struck me is that this is unsustainable. We do have emergency funding, and we all recognize that it's important to have that, but you did say that there should be some planning around restarting the economy and getting people back to work. That's what people want to do, and you've suggested doing it through a sectoral analysis. Can you elaborate a little bit on that and give us a little more of your thinking along that line?

**Dr. Ian Lee:** Yes. I feel very strongly about this and I'm not being casual or dismissive of those who are in a risky situation. I am exhibit A for that because I'm 65 and a male who takes immunosuppressive drugs for arthritis. So I'm a triple risk from this horrible virus.

In my enormous readings of the *The New York Times*, the *Globe* and *The Wall Street Journal* and of as many of the leading epidemiologists as possible, I have noticed the repeated point they have made that not everyone is equally at risk. We know this anecdotally.

We know that in the nursing homes, the senior citizens homes, Extencicare homes, whatever we want to call them, these people are tragically at very great risk, partly because they're in an enclosed space and because of their age and health vulnerability, whereas if I dash into Loblaws for 10 minutes at 7 a.m. where I stay three metres away from the nearest person, the idea that I'm in the same risk profile as the front-line health workers working every day with people with coronavirus is just preposterous nonsense. I am not at risk.

Paraphrasing the epidemiologists, we should be evaluating each of these firms and occupations in what Professor Streeck at the University of Bonn called "low contact, low risk". Going into a retail store for five or 10 minutes is low contact, low risk, as opposed to people in nursing homes or in bars or at sporting events. By the way, the virus started in Germany at a music event where thousands of people were drinking and dancing together.

So we should be measuring and determining which businesses are low risk and then bringing those businesses back slowly, albeit with appropriate distancing measures. Right now, my only criticism is not of the government's response to the crisis but that we're treating everybody as being at equal risk. We're saying, let's close everything except essential services. The essential services are not being closed down because they're less at risk, but because they're essential to the economy.

I'm suggesting strongly that we should be making a measured, scientific, evidence-based analysis of each of these jobs and companies and so forth, and I would suggest that many of the retail businesses are low contact, low risk, except of course bars and restaurants. If I go into a framing store with my diploma and I'm there for five minutes, and I talk about the frame and the colour and the glass and leave the diploma there, it's not credible to say that I'm equally at risk as a doctor if I'm standing three feet away compared with that doctor in a hospital dealing with people with that risk. We need to make that assessment.

• (1740)

**The Chair:** Mr. Lee, we have to end it there.

We'll go to Mr. Fragiskatos and then we'll go to one question each from Gabriel, Peter, Michael Cooper and Annie Koutrakis.

Peter Fragiskatos, you're on.

**Mr. Peter Fragiskatos:** Thank you, Mr. Chair, and the witnesses.

Professor Milligan, you are not an expert on municipalities, but I still want to ask you about the recent ask the Federation of Canadian Municipalities has put forward to the federal government. They're asking, as you might know, for at least \$10 billion in support from Ottawa. You teach students. Students at the post-secondary level live in cities. Do you have any advice or thoughts on how the federal government should deal with a request like this?

**Prof. Kevin Milligan:** Again, when we think about transit authorities specifically and local government issues, the virus is creating some debt here and the question is whether that debt should sit on transit authorities and local governments, on provincial books or on federal books. That's how we should think about this.

My point of view on this is that the provinces are closest to the issues of their local transit systems. There are differences across provinces in how they are funded and how they're structured. I think it should be up to the provinces to figure out which institutions in their provinces should be funded and how they need to get funding, but I also think the federal government can have some role to play in providing some of those dollars.

So the decisions ought to be more decentralized. I don't think it's great for the federal government in Ottawa to be deciding which transit authority needs what kind of funding, but I think the federal balance sheet is capable of taking a heavy part of the load here. That could happen through funds given to provinces, which then get allocated to local circumstances.

**Mr. Peter Fragiskatos:** So to confirm, you believe there should be a very significant provincial role, taking into account that municipalities are creatures of the provinces?

• (1745)

**Prof. Kevin Milligan:** That's my view. Again, the reason is that different provinces have very different arrangements with local authorities. It's really hard, from the point of view of Ottawa, to design a program that fits all sizes across the country.

I do think the federal government has the capability of carrying a heavy part of the debt load that's been generated by this crisis, but the actual decisions on whether to fund one transit authority or another, I think, really ought to be done in provincial capitals.

**Mr. Peter Fragiskatos:** What do you make of this argument, then, Professor? I know we've been talking, again, about students, and other issues have been raised here. Perhaps I could be accused of straying from the main topic, but again, cities and the experience of cities is so important to the lived reality of everyday Canadians. I would be remiss if I didn't take the opportunity to keep asking you about this. What do you make of the argument that provinces are beginning to raise when they say, for example, that they don't have the funds to assist municipalities? They don't have that capability, and all or the vast majority of the financial support should be shouldered by the federal government. What do you make of an argument like that?

**Prof. Kevin Milligan:** I think they have a case that their books are strained. When we think about the frame of the long-run sustainability of fiscal policy, it is the case that over the next 20 years the provinces will have a big health care burden that they face. That's not true as much for the federal government, so I do think there is a case to be made that provincial governments, looking forward, have a more difficult ability to carry more debt going forward.

That said, I do think there is an opportunity, when we get through more of this crisis, and things, hopefully, calm down a bit in terms of the speed of the crisis, to sit down and make some of these really important long-run decisions about the shape of the fiscal transfers in our federation. I do think we need to have a full rethink of those. What we do in the emergency is one thing, but we need to also set a long-run trajectory that makes sense both for federal and provincial governments.

**Mr. Peter Fragiskatos:** I have a very short question.

**Chair:** [*Inaudible—Editor*]

**Mr. Peter Fragiskatos:** Okay, Mr. Chair, I'll stick with Professor Milligan.

Professor Milligan, you've talked about how a universal basic income actually is not universal in the sense that it does not assist those particular individuals who have a certain social need that leads them to rely on government more than others. I believe, in a recent podcast with David Herle, you made the case of someone who might be physically disabled, who needs government more than someone who is able-bodied, yet a universal basic income goes out equally. It's distributed equally but it has very unequal outcomes, if you like.

Could you follow up on that idea?

**Prof. Kevin Milligan:** Sure. It does depend on how we structure such a benefit, but often when the basic income proposals are made, the idea is that we replace existing benefits. The thing about existing benefits is that they are very often based on need. If you are disabled and you need a wheelchair, and you're on social assistance, you can get a wheelchair.

Under some basic income models, where we would replace all existing benefits with one cheque, you'd be stuck trying to buy a wheelchair with a cheque. I don't think that's the good thing to do. I think we need to have benefits that depend on your need and your particular circumstance rather than a one-size-fits-all solution.

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

Before I go to the single questions, I just have a question for the two witnesses who haven't had questions yet.

To either Mr. Davidson or Ms. Therrien, we have to look at ways of coming out of this crisis. Certainly infrastructure is one of them, as you mentioned. Can you give us an example of what that infrastructure would be, what the spinoff would be, and how fast it could happen?

To Ms. Laing, on the gymnasts, what solution do you see to the rent problem you have? Will the Canadian emergency commercial rent assistance that was announced be helpful, or is there still a crack to fill?

I'll turn to Mr. Davidson or Ms. Therrien.

**Mr. Paul Davidson:** Thank you, Mr. Chair.

Universities are on the front lines of the current effort. We're going to be there during the period of stabilization, and we want to be there for the recovery. As you know, universities have a reputation for being able to deliver high-quality infrastructure quickly and

well. We did it during Mr. Harper's government. We did it in Mr. Trudeau's first term.

The kind of infrastructure that really needs attention can include deferred maintenance. Throughout Atlantic Canada, there are large amounts of deferred maintenance that need to be addressed. It can include digital infrastructure, to make sure that we are robust in terms of robust cybersecurity and being able to deliver online experience. It can include green infrastructure, to make sure that our campuses live up to the expectations of young people today, who expect to live and work in green environments. It can also include accessible infrastructure that lives up to the last Parliament's legislation on the accessibility act, making sure that universities are inclusive places.

That's an important part of the recovery phase, and we stand ready. We have provided to officials \$3.8 billion-worth of shovel-ready projects. There is an additional \$3.2 billion-worth of projects that are nearly ready, so there's a capacity of about \$7 billion distributed right across the country, including in communities large and small. This is where I go back to universities as being anchor employers in communities, with local supply chains and where the benefits of these kinds of investments create quality jobs and better learning environments for our students.

• (1750)

**The Chair:** Thank you.

Ms. Laing, do you have a response, please?

**Ms. Agnes Laing:** It has been very interesting to hear about the many crises that face our country. I realize that sport is probably very much last on the agenda, but as I was listening to all of you, I was reminded that 80% of our employees are students. In the end, children are going to be gravely affected by their lack of physical activity over the next year, and what the government has done for us is great for a couple of months, but it will not sustain facilities like ours.

Nobody will be able to stay open and be ready, because it is not going to be sustainable if they have a \$250,000 debt without any revenue. There is also the fact that we are one of those organizations that cannot, as you have all said, slowly re-engage back into the economy. We are unable to do anything because we are in close contact, and although our children may not be as sick, they tend to be carriers, and those who are working with them are certainly middle-aged and older like me.

**The Chair:** Thank you very much, Ms. Laing.

Gabriel Ste-Marie, one quick question, please, and then it's on to Mr. Julian.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Mr. LeBel, in your presentation, you raised the issue of student-researchers.

Can you give us an example to illustrate their challenges and needs? Can you give us some potential solutions?

**Mr. Philippe LeBel:** I'm a PhD student in microbiology and I work directly on farms. If this crisis had occurred during the practical phase of my project, I would have had to wait a year, maybe even two, before I could start the same study again, because it requires a complete experimental setup.

So it's very important that the research funding agencies also include this in their response to the crisis and that they are able to provide additional funding so that some students can graduate. Otherwise, it is like throwing away millions of dollars due to the crisis.

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

[English]

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

It's Mr. Julian, and then on to Mr. Cooper.

Peter.

[Translation]

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

My question is for Mr. Céré. A lot of unemployed people go into debt. In fact, Canadian families carry the most debt in the industrialized world.

During the crisis, is it important that the federal government fulfill its responsibilities by requiring the big Canadian banks, which are making huge profits, to reduce their interest rates and stop penalizing people? For example, the credit unions have brought their interest rates down to zero.

Should the federal government use these tools to ensure that the unemployed are not in too much debt after the crisis?

[English]

**The Chair:** Go ahead.

• (1755)

[Translation]

**Mr. Pierre Céré:** Of course, workers build society. Everything we see around us was made by workers. The current crisis is brutal and the unemployment rate is brutal. We have to make sure that people do not come out of this crisis more in debt or in worse conditions than before.

The Canada emergency response benefit was introduced as replacement income, and that's great. We were able to fill the gap for seasonal workers, people who lost their employment insurance benefits, those who lost income and students. That's great too.

However, other issues need to be addressed, such as credit cards, usurious interest rates and many other factors. We have to look into multiple concerns. We must ensure that people and society can come out of the crisis stronger. We need to prepare ourselves and our social security system for potential crises.

This is a historic moment, and there have been other moments like this in our society's history. We must learn from it, go further and come out stronger.

[English]

**The Chair:** Thank you both.

We'll go to Michael Cooper, with a quick question, then to Annie Koutrakis.

**Mr. Michael Cooper:** I'll direct my question to Professor Lee.

Professor, I completely agree with your comment that this is unsustainable. We're only five weeks into this lockdown and billions and billions of dollars have been spent. It's tough to imagine another month or two months.

You cited a few jurisdictions, including Germany and Denmark, in your presentation. Perhaps you could elaborate a bit about what they are doing.

You also spoke about a vaccine. I've heard some people say that unless we have a vaccine, we need to continue with essentially an effective lockdown. In the case of SARS, it's been 17 years and there is no vaccine.

One of the concerns I have as we try to find an off-ramp to this, all the while being guided by public health officials, is that the goal posts are shifting from the objective of this effective shutdown, which is to flatten the curve and ensure that our hospital system isn't overwhelmed. I wonder if you share that concern.

**Dr. Ian Lee:** There are two parts there. Let me deal with the last one first.

I don't pretend to be a medical doctor or an epidemiologist. I watch the press conferences every day, with the scientists around Trump, and of course read the medical reports in Canada.

I am really fascinated by Premier Legault of Quebec, who I think is doing some very innovative things in trying to bring the economy back while acknowledging that we do not have a vaccine for this. There are other illnesses, as we know, that have no vaccine. There is no vaccine for influenza, and although a lot of people get angry when you use that word, my late father died of pneumonia caused by influenza. It's not a trivial illness. It's a very horrible illness in its own right, yet we've managed to adapt and live with it and take precautions.

As to Europe, I've read everything I could get my hands on about the European countries. They're taking a risk-based approach that is advocated, by the way, in Canada by the C.D. Howe Institute in Toronto. We evaluate different occupations, different professions, different industries and different companies to determine the level of risk.

I think there is a path forward, because the total debt in our country—corporate, personal and government—is 350% of GDP. I urge everyone to read David Rosenberg's op-ed today in the Financial Post, which has unpacked the numbers.

**The Chair:** Thank you.

We will turn to Annie Koutrakis to wrap it up.

Annie.

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

I want to thank everyone for their comments and presentations today. This has been a great conversation, with very useful things to think about going forward.

My question will be addressed to Mr. Davidson and Ms. Therrien of Universities Canada.

An op-ed posted on your website states that “universities are well-positioned to make immediate and impactful contributions” in addressing the COVID pandemic. Could you elaborate on that statement and provide more detail on the collaboration between universities, industry and governments to address this pandemic? How is federal funding being used to support these projects while maintaining safe work environments for researchers?

• (1800)

**Mr. Paul Davidson:** I'll invite Wendy to reply to that question.

**The Chair:** Wendy, go ahead.

Ms. Therrien.

**Ms. Wendy Therrien (Director, External Relations and Research, Universities Canada):** Thank you so very much for the question. In fact, Canada's universities have been very pleased with the investments in research made by the federal government, which have enabled laboratories across our country to contribute to finding a vaccine to COVID-19.

Canada's universities have also been partnering with their local provinces and their local health authorities to provide personal protective equipment to support front-line workers in the response, and Canada's universities have also been doing research in the social science disciplines to understand the impacts that COVID-19 will have on populations across the country and to support in the preparedness for future crises.

Those are some of the ways we've been able to support in the response, and then looking forward, we think about the importance of enabling our research environment to be up and running quickly, because though urgent research is continuing, much research has been fallowed and it will be important to enable the research ecosystem to be up and running quickly to support in the innovation and economic recovery of our country.

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

Sasha McNicoll, you didn't get an opportunity to say anything. Do you want to make a point to close it off for the panellists?

**Ms. Sasha McNicoll (Senior Specialist, Policy, Community Food Centres Canada):** Sure. Thank you, Mr. Easter.

I would just say that when we're thinking about the people who are suffering the most from food insecurity and poverty and when we go forward after this crisis, we need to focus on single adults, because 43% of people who are food insecure are unattached adults. The federal government has very generous benefits for children and for seniors. Thus, we would really encourage you all to consider how we can better support single adults through measures such as making the disability tax credit refundable, especially for those who aren't able to work.

**The Chair:** Okay. Thank you for taking the opportunity.

I ask committee members to stay for a moment. We need to look at the themes for next week. I have a proposal.

To the panellists, thank you for coming forward, for taking the time and making good suggestions. We'll have to get a summary of evidence before too long, but if there is one thing we are seeing in these hearings, it's that there are certainly a lot of lessons that can be learned from a crisis such as this. We have to deal with the immediacy of the problem in terms of the income, the business, the rents, you name it, but there are policy changes that can be made going forward as well.

Thank you all for your presentations.

Turning to committee members, I'm told that we might have a problem next Thursday. We will definitely have two hours, but the whips might not allow us to have four. We'll see how that pans out, but what I suggest is that we decide now on four panels. We might end up with three.

The first one on Thursday would be the minister and officials. That's a necessity for the bi-weekly report on the pandemic crisis and where the government is at. That comes out of the House of Commons, its motion.

I would suggest that we have a second panel, just a general panel. All of us have people who have somehow been missed, so it would be a type of catch-up panel to bring them in.

For Friday, panel three, I would suggest for the first part of the panel, support for Canadians ineligible for the announced measures to date. That comes out of our regular session we had long ago.

I would suggest that the last one be a combination of the manufacturing and construction sectors. That's more looking out at where do we go from here, at some of the suggestions that come up on what we do after this is over.

That's what I'm suggesting. Is there any disagreement with that?

Are you okay, Peter? Okay.

James, is that good?

• (1805)

**Mr. James Cumming:** Yes, but I was going to make a suggestion, Mr. Chair.

**The Chair:** Yup.

**Mr. James Cumming:** It strikes me that a lot of what we've been hearing about, from witness to witness to witness, has been the impact on small business. I would like to hear from the minister, if possible. I know that Minister Ng has appeared at other committees. I think it would be worthwhile for the finance committee to hear from her and her department on some of the programs that have been announced, and to hear from Minister Fortier as well, perhaps, with the first preference going to the minister for small business.

**The Chair:** Could we look at that the next week, James, and gear that up for the next week? Is that too late?

**Mr. James Cumming:** Gladly. I just think we need to hear them. The later we leave it...because I think that's more related to the emergency response and these programs.

I think sooner is better, but I'll leave it in your hands, Mr. Chair.

**The Chair:** Okay. We'll see what we can do with it.

I think it is a good suggestion. We've been hearing from the Minister of Finance certainly, who has the overall responsibility, but we need to hear from some of the ministers who have specific respon-

sibilities in some of the areas that the programs have taken place. Maybe we can run something along those lines.

Folks, I know that an event is taking place shortly in honour of those in Nova Scotia. We may want to participate in that as well.

With that, I'll thank everyone.

Thank you, members, for your endurance. Keep in mind that we need witnesses for next week by six o'clock Sunday night.

With that, I'll thank everyone again and adjourn the meeting.

The meeting is adjourned.

---









Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :  
<https://www.noscommunes.ca>