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Chair: The Honourable Wayne Easter



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• (1505)

[English]

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

Welcome to meeting number 30. It's the first panel of three today 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.

Today's meeting is taking place by video conference, and the proceedings will be made available via the House of Commons website. So that you are aware, the website will always show the person speaking rather than the entirety of the committee.

With that, we will welcome our witnesses. We're privileged to have today the Honourable Mary Ng, Minister of Small Business, Export Promotion and International Trade. With her are several officials from the Department of Finance and the Department of Industry.

With that, Madam Minister, I'll give you the floor. You have an opening statement, and from there we'll go to questions.

So that everybody knows, so they can think about it in the meantime, the first questioner will be Mr. Cumming followed by Mr. Fraser.

The floor is yours, Madam Minister.

Hon. Mary Ng (Minister of Small Business, Export Promotion and International Trade): Thank you so much, Mr. Chair. I really appreciate the opportunity to speak with this committee about some of our government's supports for Canada's small business owners and entrepreneurs.

Small businesses are at the very heart of our communities across the country, and they are truly the backbone of our national economy. They employ 8.3 million hard-working Canadians and account for nearly seven out of every 10 private sector jobs in our country.

Therefore, when this pandemic hit, we knew that we needed to do everything possible to help them here in Canada. We remain steadfast to ensure that these small businesses that are the pillars of our towns, our cities and our neighbourhoods get support during this difficult time.

Mr. Chair, over the past several months my team and I have spoken with thousands upon thousands of small business owners and

entrepreneurs in every sector and region across Canada. We heard that our response to COVID-19 needs to be flexible and balanced.

It needs to be flexible because the situation we currently face is truly unprecedented, and there really is no template to work from. Circumstances and challenges are still evolving, and at a rapid pace. Our response also needs to be balanced, because we need to meet the needs of all small business owners during these challenging times. There is no one-size-fits-all approach to relief.

Small businesses, because of their size, are often more entrepreneurial, more nimble and very in touch with their customers and communities. This is often the key to their success, but it also makes them vulnerable during turbulent times like the one that we are facing right now in a global pandemic.

When Canadians are asked to stay at home and they're not able to eat out at their favourite restaurant, go to an appointment at their physiotherapist's or their salon or travel and stay at a hotel or bed and breakfast, there is an impact on those businesses. If you're an entrepreneur who has invested everything in a community theatre or a pub or a bakery or your technology, you're absolutely feeling the brunt of COVID-19. You have probably had to close your doors, and your sales have probably taken a huge hit. Indeed, for many they've disappeared entirely.

When people are asked to stay at home, they're likely to also hold off on purchases, so if you're a business that sells technology, furniture or jewellery, you've also taken a hit. Then there are service providers that we normally interact with every day: our dry cleaners, our yoga studios, fitness studios, day cares and hair salons. They're feeling the effects of having to temporarily close their doors. If you are in a business that moves people or goods, like our taxi drivers or our delivery service workers, your revenue has been impacted too.

The harsh reality is that the majority of our entrepreneurs and small business owners have faced serious challenges, and this happened almost overnight for them.

For a small business to get over the challenges of this pandemic, they're likely facing at least three major threats: keeping their teams together, keeping their costs low and covering their operating expenses. Our government has taken serious and decisive action to address each of these threats.

Mr. Chair, I grew up in a small business. I know that this is often a family affair. Seventy-five per cent of Canadian small businesses have fewer than 10 employees. You often know each other's birthdays, kids' names and spouses. From my own experience and through conversations with small business owners, I know that employers often think of their teams as extended family. I also know that in order for a business to remain resilient through this difficulty and recover more quickly after this challenging time, the team must stay together.

That is why one of our most important initiatives is the Canada emergency wage subsidy. Through this subsidy, we are going to keep more Canadians employed by covering 75% of those wages. This will be a key support as we enter the restart phase, and we're extending the wage subsidy for an extra three months, until the end of August.

We're also helping over 3.2 million businesses and self-employed Canadians to keep their costs low by allowing them to defer GST, HST and customs duty payments. In addition, they can keep more money in their pockets over the next number of weeks and months because we're extending the tax filing deadline and allowing businesses to defer any payments, if they owe any, until August 31, again helping them keep their costs low so that they can have that extra flexibility to manage that cash flow.

- (1510)

To entrepreneurs across the country, we also know that covering your operating costs, like rent and utilities, is an incredible challenge right now, so through the Canada emergency commercial rent assistance, we've partnered with provinces and territories to reduce rent by 75% for businesses experiencing incredible hardships for the months of April, May and June, and starting next Monday, May 25, applications for the Canada emergency commercial rent assistance will be opened.

We know that business owners and landlords can work through those details now through the Canada Mortgage and Housing Corporation. Those details are already available, and they can start looking at them and be ready for when the application opens next week.

Rent, of course, is not an area of federal responsibility, but the success of businesses, frankly, is the responsibility of all of us, so we're working hard to make sure that this rent assistance support gets out as quickly as possible. We've also introduced a variety of lending supports available through banks and credit unions to help businesses with their cash flow.

One of these is the Canada emergency business account, or CEBA. Many of you know about this. It's a \$40,000 interest-free loan with up to \$10,000 forgivable if they're able to pay it back by the end of 2022, and to date this support has helped over 621,000 businesses and entrepreneurs across the country who have accessed it. It's helping our favourite restaurant to keep its lights on while also switching some of its operations to delivery service. It's helping that furniture store that relies on foot traffic to stay afloat so that it can keep paying the cost of its warehouse space. It means that the local bed and breakfast is maintaining its property even if its doors are temporarily closed. On Tuesday, just a couple of days ago, we

announced that this CEBA loan will now be expanded and available to businesses that don't have a minimum \$20,000 payroll.

That means that if you're a sole proprietor or a business that relies on contracts or a family-owned firm that pays its employees in dividends, you're now eligible. You need to have a business bank account, a CRA number under which you're filing your tax returns for 2018-2019, and non-deferrable expenses of between \$40,000 and \$1.5 million. These are non-deferrable expenses like rent, utilities, insurance, salaries, and that sort of thing.

We've certainly heard from the hair salon owners and stylists who rent chairs, the local chiropractor who has a practice but no employees, the farmer who pays himself in dividends but has to pay machinery costs and animal feed. This loan expansion is going to help not only those businesses but thousands more businesses to access this support.

We know that there's still more to do. For those businesses that operate out of a personal bank account and that are too new and have yet to file a tax return, we're working hard to make sure that we have a solution to help them as well through this challenging time. For larger businesses looking to get support through this difficult time, there are other liquidity supports, other loans that are available of up to \$12.5 million, also available through financial institutions like banks and credit unions.

We know that all across the country, across every region, businesses need to be supported. Some are not supported through the programs that I just talked about, and because of that we've devoted almost a billion dollars to rural tourism businesses through the regional relief recovery fund, and we've also created supports to help indigenous-owned businesses, young entrepreneurs, innovative and high-growth firms, women entrepreneurs and many, many more.

Mr. Chair, our government has acted quickly. We've introduced broad measures to help small businesses from coast to coast to coast. These measures will help businesses weather the storm, but we know that the introduction of the measures is really just a first step and that businesses are going to continue to need help and support in order to weather this period and make it into the restart.

That's also why we created the Innovation Canada portal and the Business Canada app. It's so that small businesses can navigate through the many supports that we've introduced. We've also partnered with the Canadian Chamber of Commerce to create the Canadian Business Resilience Network so that owners of small businesses can truly get the support they need. It's more than being able to put money out; it's making sure that they also have the support and tools to be able to access the support properly to help them through this time.

• (1515)

I'd like to close by thanking the many small businesses that are providing essential services to our communities through this challenging time. My colleagues and I have heard countless stories of entrepreneurs and communities all across the country going beyond the call of duty and just giving back. I'm so impressed by the resilience of our incredible business owners and what they've done to help each other out through this difficult period. To those hard-working business owners, I want to say thank you.

Mr. Chair, we're all in this together. I appreciate this committee's support for the efforts during this difficult time. As I keep saying everywhere across the country on Zoom calls, just like the one we're having today, we're all here to help our small businesses survive this pandemic and pave the way for our economy to recover. We'll continue doing the hard work together to help save the small businesses of our hard-working Canadians and those jobs across the country.

I want to thank you for giving me the opportunity to speak to all of you today. I look forward to taking your questions.

[Translation]

Thank you very much.

[English]

The Chair: Thank you very much, Minister.

We will start the first round, which will be six minutes, with Mr. Cumming, followed by Mr. Fraser.

James, the floor is yours.

• (1520)

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

Thank you, Madam Minister, for appearing today.

Today I am in one of these businesses. I'm sitting in the Wellness Clinic, a business owned by Tami. It has been shut down since March. She has received nothing—nothing, not a single program. She may qualify for the CEBA grant now. She uses contract employees, so she can't be helped with the wage subsidy, and that's not going to help her when she is finally able to restart. One thing she wants to apply for is the rent subsidy. The way the rent subsidy is structured, her landlord does not want to play ball.

Will you consider modifying this rent subsidy to allow greater flexibility between the landlord and the tenant so that these companies can start to receive this rent subsidy?

Hon. Mary Ng: Thank you so much, James, for that question. I also want to thank you for all of your great work in representing not

only your constituents but indeed Canadians as the critic on small business. Your input and that of Tami's and so many businesses are so important. Indeed, we created the programs that we have by listening to them and listening to the support they need.

I'm pleased that we were able to expand CEBA so that Tami can get access to the \$40,000 interest-free loan to help with those operating expenses. Of course, the application will open on Monday for landlords to apply.

Listen, we know how important that rent expense is and what a burden it is for businesses, particularly small businesses like the one you're in that has been closed. I thank businesses like Tami's and everyone's for closing their doors to keep us all safe.

We're going to encourage landlords to take advantage of this program. We've all been in this together. It's remarkable what Canadians have done to help flatten this curve. I'm going to encourage landlords to take advantage of this program so that our small businesses can get that help, that 75% reduction.

Mr. James Cumming: Madam Minister, thank you. I have many questions for you. I'd like to be able to move on, if I could.

If CECRA was so important, why was it delayed until June? Why did it take so long to be able to help these businesses?

Hon. Mary Ng: As you know, rent is not an area of federal responsibility, but helping businesses across this country is all of our responsibility. We worked hard with our provincial and territorial counterparts. Together we put forward a program that will provide 75% rent reduction help for those small businesses. We look forward to those landlords taking advantage of this so that together we can help our small businesses.

Mr. James Cumming: Madam Minister, I hope you are hearing from landlords like I am. I do not think you're going to get the uptake that you thought you would. With the CEBA program, Tami appreciates that she can apply. It just puts more debt on her business, so it will be very difficult for her.

With CEBA, how many applications have been approved so far?

Hon. Mary Ng: The number is 621,000.

Mr. James Cumming: How many have been rejected?

Hon. Mary Ng: I don't have the number for the rejections.

This was put forward as a 100% loan guaranteed by the federal Government of Canada through the financial institutions. This uptake of 621,000 is really excellent, because that's how many businesses are being helped across the country from coast to coast to coast. I know that with this expansion, it will help even thousands more companies.

Mr. James Cumming: What is the average loan size that has been applied for?

Hon. Mary Ng: I don't have the specifics on the average loan size. I don't know if my deputy is able to share that.

I would say, though, that it's up to \$40,000. I certainly know from the businesses that I have talked to that many businesses have taken up all \$40,000, while others have taken less than that. I don't know if my deputy has specifics.

The Chair: Go ahead, Mr. Kennedy.

Mr. Simon Kennedy (Deputy Minister, Department of Industry): Mr. Chair, I don't have that number immediately available, but I'll see if I can get it for the committee as quickly as possible.

The Chair: Okay. Provide that to the clerk. That would be helpful.

Go ahead, James.

Mr. James Cumming: That number is a critical number, because if the uptake is predominantly around \$40,000, it would tell you that the demand is very great. I think it's an important number to consider, in that you considered the \$40,000 when you started initially.

What are the transaction fees that are being charged by the banks to administer this program?

• (1525)

Hon. Mary Ng: I don't have the specifics.

Deputy, do you think you could just share that with the member, please?

The Chair: I think Mr. Kennedy went off-line to find the other number. We'll come back.

Oh, there he is. He's back.

Mr. Kennedy, do you have a figure on the transaction fees that the banks are charging?

Mr. Simon Kennedy: I do not have that handy, but I'll come back with that as well.

Mr. James Cumming: It was reported by the Department of Finance before that there was plenty of headroom within the loan program. Can you confirm what the headroom left in the program is?

Hon. Mary Ng: I don't have that either, but I actually do have the answer to your earlier question: It is a 0.4% fee for the banks to administer the Canada emergency business account.

The Chair: We'll have to end it there, James. You're on in the next round as well, I gather.

We'll turn now to Mr. Fraser and then to Mr. Ste-Marie.

Go ahead, Sean.

Mr. Sean Fraser (Central Nova, Lib.): Excellent. Thanks so much, Mr. Chair.

Thank you, Minister, for joining us, and thank you for the work that you have been doing over the past number of weeks and months to help businesses survive this unprecedented pandemic that is causing a disruption in everyone's lives.

Two of the most important words that I think I heard in your opening remarks were "we heard". You referred to the barbers that you have listened to, some folks working on farms, and other examples. I think that it's important to reflect on the number of extraordinary changes that have been made, often after an initial policy announcement has been done.

My experience in the past few years is that we put a lot of effort into consultation on the front end, tried to land a policy, and weren't particularly flexible after we completed consultation with stakeholders. I have been feeling refreshed at the willingness of the government to listen and shift course where it sees problems that have been highlighted.

I want to see if you can talk about the importance of this exercise in listening and how it's helped develop the policies, particularly when I look at big things like creating a 75% wage subsidy that was previously 10%, and at small things like extending access to those barbers who don't necessarily meet the payroll threshold or allowing credit unions to get money to communities through CEBA. There are probably dozens of changes that I could point to as examples. I want to get your perspective on what it's like to have to iterate as we go through, based on the feedback that we're hearing directly from Canadians who have been affected by this pandemic and who are looking for help from the federal government.

Hon. Mary Ng: This truly is unprecedented. You're absolutely right.

We take pride in the way we listen to Canadians in the course of developing policies, programs and funding for the range of supports in the normal course of doing business in government. With the global pandemic, the absolute urgency of getting support out to businesses and Canadians was the focus. We listened to Canadians, literally right from the very beginning, and we continue to listen to those businesses so we can reflect on where there may have been a gap, where something may need to be changed and adapted along the way.

Some of those adaptations also mean making legislative changes. I thank all our colleagues from all sides of the House for coming in and helping us as team Canada to introduce the wage subsidy, as an example. That required legislation for the size of the emergency support package we've had to put out in an effort to support Canadians.

The Canada emergency business account is an example of how we listened to colleagues on this committee and listened to colleagues from all sides who had input and feedback from their own constituents and businesses about what was or wasn't working.

My department, right from the get-go, has a call every single day throughout this entire pandemic. It started with tens of businesses and grew to hundreds of businesses. Now it's over 1,000 businesses, as well as business associations. They talk to my department every single day so we can understand the issues they are facing and the needs they are dealing with. They represent different sectors, so we are making the adaptations, making sure we have invested in their regional development agencies and community futures programs to ensure additional support is there for smaller businesses in rural communities.

We are making sure we are providing support through the industrial research assistance program for those high-growth innovative companies that weren't experiencing the kinds of revenue losses that are calculated by many other companies, but for that sector it is a revenue loss.

• (1530)

The Chair: We'll have to go back to Mr. Fraser and give him the opportunity for one more, Minister.

Mr. Sean Fraser: Thank you, Minister. I appreciate that.

I have two quick plugs before my second question. There are two things I continue to hear. First, businesses are concerned about the uncertainty, wondering whether some of these benefits will be extended if it becomes necessary. Second, there are still some very small businesses that may not have \$40,000 in expenses or a business account, but would like some kind of support. They don't necessarily need the same level of support the CEBA provides, but are looking for some kind of assistance to help with their expenses.

This is my second and final question. When I talk to female entrepreneurs, I am hearing with an astonishing level of frequency about particular concerns they're facing. I'll ask you to comment on the support we've put in place for them, and make a plug to deal specifically with the issue of child care.

I can't tell you the number of women-owned businesses and agricultural producers who have said all they need to do are simple things, such as re-profile their Canada summer jobs person to child care instead of on the farm. They say, "I know how to farm and I don't have the time to train someone else to run my business. If I could have help with child care, I could get back to work and make a real difference for the economy."

If you could comment on supports for women entrepreneurs, I would be grateful.

The Chair: You'll have to do it in a minute, Minister. I want to keep this round fairly tight.

Hon. Mary Ng: Okay.

I just announced \$15 million on Saturday to support the women entrepreneurship strategy ecosystem fund. This is part of an \$85-million strategy that we have put in place for these entrepreneurship ecosystems specifically to help women.

Women are wearing lots of different hats right now, and they are severely impacted, so we're helping them navigate, get access to capital and get the support they need. These ecosystems are very busy. They operate all across the country, and they're doing their level best to make sure our female entrepreneurs are supported.

For the smaller businesses that may not want the CEBA, that's what community futures programs and the regional development agencies are doing. In your region, ACOA is of course doing extraordinary work.

Will we continue to adapt, listen, and make sure businesses are supported? Absolutely. That's been the approach all the way along, and it's going to continue.

Mr. Sean Fraser: Thank you so much.

The Chair: Thank you both.

Mr. Ste-Marie is next, followed by Gord Johns.

Go ahead, Gabriel.

[*Translation*]

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

First of all, I would like to greet you, Minister, and thank you for being with us this afternoon. I would also like to acknowledge and thank all the officials who have joined this committee.

To begin, Madam Minister, I would like to know if your government will be able to provide an economic update by the end of the parliamentary session. In your preamble, you listed all the programs that have been announced. There are a lot of them. With an update, we could get an overview of what's been announced, where spending is at and what assumptions you're juggling for economic recovery. That economic picture would be useful to us.

[*English*]

Hon. Mary Ng: Thank you, Mr. Ste-Marie. It's really wonderful to see you here.

As my colleague the finance minister said, he would be pleased to provide an update when we have more stability.

During this extraordinary period—because it is an extraordinary period—we've always committed to being open and transparent about the support we're providing to Canadians, to families and to businesses.

Right now, \$150 billion of direct support has gone out for this effort. We will commit to continue to be open and transparent. That is what Canadians expect of us, and we will do that. I know that the finance minister will be able to provide an update when we have a bit more stability.

• (1535)

[Translation]

Mr. Gabriel Ste-Marie: Thank you.

I'd like to make a comment before I ask my next question. When the situation has stabilized, I think it will be time to present a budget with an overview of the recovery. The Parliamentary Budget Officer, when he came before this committee, said that it was urgent and absolutely necessary that there be not a budget, but an economic update so that we could take stock of the situation. We have been going through this crisis for several weeks now. Your words at the opening of this meeting testified to that. I am therefore reiterating my request.

I'll now move on to my question. On March 20 of this year, the Prime Minister announced a plan to mobilize industry to fight COVID-19. The goal was to establish an emergency supply chain in response to the crisis. I am talking about the Canadian industrial mobilization plan to address COVID-19.

Apart from a few names of companies that participated, we did not receive any updates on the results of the plan from this committee. Next week we will begin a study on self-sufficiency and supply chains. In this context, this information seems to us to be important, even crucial. So I'm going to ask you a series of quick questions about this plan.

Do you have any idea how much money has been invested in this plan by the various departments?

What was the production capacity for the products targeted by this plan?

Could these companies, under normal circumstances, continue this production and still be financially viable or, in reality, did this plan only involve a single amount of money being disbursed at the beginning?

Finally, what's the extra cost of making these products here instead of somewhere else?

I've asked you a lot of questions, but you can answer them based on what you know. Afterwards, if you or your officials could send your answers to the committee, we would appreciate it.

[English]

Hon. Mary Ng: Thank you so much, Mr. Ste-Marie.

It's really remarkable, and I'm so proud to be a Canadian right now, because businesses have stood up to add to the fight against COVID-19 by retooling their shops in order to produce PPE and the necessary equipment and supplies that we need during this period.

Wearing my other hat as the international trade minister, I have been working steadfastly with partners in G7 and G20 countries, like-minded countries, through organizations like the World Trade

Organization to ensure that supply chains remain open, particularly around medical supplies and key agricultural products, so that we can get the supplies into our industries and to Canadians. It's really important. Over 5,000 companies have stood up in our made-in-Canada strategy to help us all through this crisis with the production of equipment.

With respect to the restart to the economy, COVID-19 has been experienced differently in different parts of the country, so as expected, you see restarts taking place with a different phasing approach in each of the territories and provinces—probably just slightly differently. The federal government has been working with jurisdictions to make sure that we're taking a coordinated approach so that we are doing this restart carefully, with the health and safety of Canadians at the forefront.

We've asked Canadians, including ourselves, to make enormous sacrifices in the effort to flatten the curve and to help make sure that the health and safety of Canadians is our top priority. A lot of sacrifices have been made, and certainly businesses have been impacted because of this. This restart is going to be done in coordination and collaboration, and we're going to do it while supporting our businesses as they go through this.

With respect to the specifics around mobilization, I don't know if my deputy wants to add to that.

The Chair: Mr. Kennedy, if you have anything to add, add it fairly quickly. We're a little over time.

• (1540)

[Translation]

Mr. Simon Kennedy: I simply want to say that it will be our pleasure to provide further details to the committee about this. As the minister said, we have received...

[English]

The Chair: Mr. Kennedy, the sound quality isn't very good.

Are you on "French" when you're speaking French, do you know? It's on the bottom.

Mr. Simon Kennedy: Sorry, I'm on "off".

The Chair: Okay.

You'll see two little people together. The next circle to it, put it to "French" if you're speaking French.

[Translation]

Mr. Simon Kennedy: All right.

As the minister indicated, we have already received more than 5,000 offers from businesses...

[English]

The Chair: We'll have to leave it for now. They can't pick you up.

We'll go to Gord Johns and then to Mr. Cumming again.

Gord, you have six minutes.

Mr. Gord Johns (Courtenay—Alberni, NDP): Great. Thank you, Mr. Chair.

Minister, can you tell us what percentage of small businesses the government expects will go under in the next few months?

Hon. Mary Ng: Our job right from the get-go is to support our Canadian businesses. I think you've heard me say this publicly: Saving businesses and saving jobs is what we are steadfastly committed to doing—

Mr. Gord Johns: I'm just looking for a number. Do you have a number? Does the government have an analysis based on the current speed of rollout? Does it have a number for the percentage of businesses that are expected to go under?

Hon. Mary Ng: My focus and the government's focus is to keep supporting them.

Mr. Gord Johns: In early April, my colleague Mr. Julian and I presented a proposal around the Canada emergency rent relief program to the government. We cited Australia as an excellent model. It's a federation like Canada that was able to negotiate and put in place a rent eviction moratorium. We were very happy and honoured that the Prime Minister honoured that proposal a week later, but five weeks after that, he still hasn't amended the part around an eviction moratorium.

Has the minister put this as a priority in negotiations with the provinces, or will she be doing that?

Hon. Mary Ng: We have been working with the provinces and the territories on this program, in respect of their jurisdictions, of course. I know that some Atlantic provinces have implemented a moratorium on evictions. We of course will continually work with the provinces to make sure that this program is going to be effective so that small businesses can get their 75% reduction.

Mr. Gord Johns: Our concern is that the government didn't make it a priority and actually hold the provinces to that when they negotiated this arrangement.

Let me talk about Jay Sussman. He owns Tacofino in Tofino. He has about 10 small businesses throughout the province of B.C. The businesses are very important employers, as tourism is a very important industry. Only one out of his 10 landlords is willing to play ball, which I think is really disappointing, considering that Jay closed his doors for public health and now he's being expected to bear the brunt of 100% of the hit from COVID.

What is the government going to do to get these landlords to the table? The minister talked about the first step. Is the second step going to be a program to support Jay and many people like him when their landlords aren't going to play ball?

Hon. Mary Ng: I'm pleased that the application is open on Monday. You've heard me and the Prime Minister and the Deputy Prime Minister say how important it is to support these small business owners like Jay. They need to get supported with the 75% rent reduction. That's what this is about. We're going to keep working on this. I think we have a track record of continuing to listen to business owners and our colleagues, and of working together so that we can do what I think we all agree on, which is to help those businesses.

Mr. Gord Johns: We appreciate that. It's been five weeks. Time is running out for these people. We need the government to react quickly. It keeps designing programs that are basically complicated

programs that cut people out instead of helping the people who need help the most.

We've heard from people in small business. They did a survey. Sixty-seven per cent of them said that the rent subsidy is most important to them. Fifty-four per cent said rent relief would save their business. This is pretty scary, since only a third of them actually believe their landlord is going to apply, so we need this fixed.

We are hearing that the LEEFF requirements are actually going to be.... There are many obstacles to small business owners applying for this program that you're rolling out, but fewer obstacles when it comes to the big corporations, so we're deeply concerned that the government is creating these obstacles for small businesses.

Can you explain why the threshold is a 70% drop in business for the commercial rent assistance program, instead of 30% as in the Canada wage subsidy? We know anyone who has lost over 30% in revenue is going to have an almost impossible chance of surviving this crisis.

• (1545)

Hon. Mary Ng: Thank you so much, Mr. Johns. I want to start first by thanking the many hard-working civil servants who have steadfastly through this enormously challenging period stepped up to do the incredible work that they have in supporting the government and indeed Canadians to make sure that programs have been designed, have been iterated and have been improved upon so that we can get that help out to Canadians. There is nothing more important to me than helping Canadian small businesses.

Mr. Gord Johns: I appreciate the civil service too, Minister, but—

The Chair: The minister has about 40 seconds yet.

Go ahead, Minister.

Hon. Mary Ng: Thank you, Mr. Chair.

Nothing is more important to me than making sure that this support is there for small businesses. You heard me say that they are literally the dynamic backbone of our communities, and we're going to keep doing this work as we need to. There are a range of programs right now that we're going to continue to help them save their employees, help them with some cash flow and make sure that they get the 75% rent support.

The Chair: You have time for one more question, Mr. Johns.

Mr. Gord Johns: Minister, I don't think it's up to the public service to be determining the 70% drop in revenue or the 30%. That's a political decision. We're looking to you to fix that so that people don't fall through the cracks.

The other part is the business account requirement. I have a diner in my riding, Topspot Diner. They have \$140,000 in payroll, yet the government won't recognize them for many of the programs that it's rolling out, including the CEBA. This is happening in urban centres throughout the country as well, where business owners can't access any support.

Will you fix this simple requirement? I think it's very important. You've said that you're willing to look at this. You've done some work on CEBA and you've been listening to some of the changes, but this is a simple change. Will you fix it?

Hon. Mary Ng: The answer is that we will continue to work with our small businesses to make sure that they are supported through this. The personal account change is something that we are already committed to do, and we are just working through the final pieces to make sure that's available to those hard-working entrepreneurs and business owners.

The Chair: Thank you both.

We're going on to a five-minute round, with Mr. Cumming and then Ms. Koutrakis.

Go ahead, Mr. Cumming.

Mr. James Cumming: Thank you.

Madam Minister, I have some other questions for you.

On the personal account, when will that measure be put in place?

We need more than a promise: We need a date. Businesses need certainty. What's the date?

Hon. Mary Ng: It will be as quickly and as fast as we can go.

Mr. James Cumming: Related to CEWS, I'll think of this business that I'm sitting in today. The owner has contract employees who come in. Why would you not consider contract employees in the wage subsidy?

Hon. Mary Ng: The wage subsidy is an important benefit to help employers keep their employees. I would say that over two million Canadians already are being helped.

Mr. James Cumming: Will you consider contract employees within the CEWS program?

Hon. Mary Ng: We're going to keep listening to businesses. I really appreciate the input that we are getting from businesses so that we can keep doing the work we need to do to help them.

Mr. James Cumming: Here's a business to listen to.

Laura has had two storefront businesses, and she was on the verge of closure. Now she's pulled up her bootstraps and she has been working hard to make sure that these businesses survive. She's finally at the point where she's reopening in a modified version.

Because she couldn't afford to keep her employees, they went onto CERB. Now she wants them to come back, and she finds out that to get her employees to come back, she can't give them enough hours, so she's not eligible for the wage subsidy.

What advice would you give her?

Hon. Mary Ng: On that specific one, perhaps my office can get back to her.

I didn't quite get the full question. My headphones cut out for a second. Can you just repeat that for me?

Mr. James Cumming: She had to...because she had no revenue.

The wage subsidy didn't work. She didn't have the ability to pay 25% of the wages. Now she has started to reopen. She can bring people back in, but she can only bring them in on a part-time basis. She will not be eligible.

Her employees do not want to come back, because they're on CERB and they would gain too much income and would not be eligible for the wage subsidy.

• (1550)

Hon. Mary Ng: Okay. I understand that.

The wage subsidy does apply to workers who are being paid part time. There is eligibility there.

I just want to remind people that CERB was put out in an effort to help Canadians flatten the curve by staying at home. It's a temporary benefit to help all Canadians to do what we needed to do to flatten this curve.

As you know, the wage subsidy is being extended, and we are going to continue to listen to businesses. We said we were going to do that.

Mr. James Cumming: That's understood, but this specific example gives you an indication of why it has created some difficulty.

I want to move on.

In many cases, you've referred people to other programs that are available. There's the BCAP and specifically the EDC loan guarantees to 80%.

Can you tell me how many loan guarantees have been issued through EDC for this program so that we can see its effectiveness since it started in the middle of March or towards the end of March?

Hon. Mary Ng: I don't have that number in front of me right now. I'm happy to get that back to you.

That program is incredibly important. It is available through the financial institutions for the larger small businesses or the medium-sized businesses that need loans of up to \$12 million, which is what that number is. However, that's actually a combination between EDC and BDC.

Mr. James Cumming: Can you get back to us on that? If it's such a critical program, we should be able to see how effective it has been and how many people are dealing with it.

All these businesses are trying to start up now. Can you tell me how much planning has been done to help them when they open, particularly in relation to PPE and having supplies available to the private sector at a reasonable cost so they can open their businesses again?

Hon. Mary Ng: That's a very good question. You heard me talk earlier about how important it is to help and support businesses throughout this crisis, and during the restart it's no different. We have been working with the provinces to ensure that there is the appropriate guidance led through PHAC to make sure that this information gets out to businesses.

Canadian occupational health and safety—

Mr. James Cumming: Can I make it more specific?

How many masks will be available to the private sector so they can open their businesses? That seems to be the main thing that many of these businesses will need.

Hon. Mary Ng: My colleague, the procurement minister, has a supply council that the chambers and businesses sit on. They're working to ensure that the needs identified by business and other sectors are taken into account so that the Government of Canada continues to procure. You heard me talk about the made-in-Canada program and about how the private sector is standing up to create additional capability and supplies in the country. This entire effort is to ensure that there is the adequacy out there for our businesses.

The Chair: Sorry, James. We'll have to end it there.

I would suggest to the minister that maybe other considerations need to be given on the wage subsidy. Is there some scenario whereby you could go to a 50% wage subsidy rather than a 75% one? It's just a thought. Maybe there are some other scenarios that need to be looked at as we go down the road, rather than the straight 75%.

We'll turn to Ms. Koutrakis for five minutes, and then we'll go to one question from Mr. Cumming and one from Ms. Dzerowicz.

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

Thank you, Minister Ng, for your presentation today at the finance committee.

I was listening very carefully to your opening statement. What caught my attention was that you heard from small business owners about the need to be flexible and balanced, so thank you very much on behalf of my constituents and the small businesses in the Vimy riding. It's great that you, your colleagues and the civil servants have been so open in listening and changing as we need to change.

It was a great segue to Mr. Cumming's talking about the supply chain. In the near future, the finance committee will be holding a panel on Canadian self-sufficiency and supply chains. Self-sufficient production of medical equipment and a made-in-Canada solution to COVID-19 are incredibly important issues to me. Can you comment on the steps that this government has taken to ensure that small businesses can play a role in Canadian medical self-sufficiency, whether that be through the production of PPE, medical equipment, testing kits or eventually a vaccine for COVID-19, including potential export opportunities that you may see?

• (1555)

Hon. Mary Ng: Small businesses absolutely are playing a role. As I said earlier, over 5,000 businesses have stood up and retooled to make masks, gowns, sanitizers, ventilators and a range of other needs. Those companies include small and medium-sized companies.

With regard to supply chains, it's really important that we continue to help our Canadian businesses so that they are export-ready and continue exporting. I have continued to do the work with countries in the G20 and G7 and with the CPTPP countries to ensure that we keep supply chains open so that goods and services continue to move, particularly for those that are essential and that require the movement of those goods beyond our borders. We're going to make sure that we continue that work to support our Canadian businesses, particularly the small businesses, in accessing those customers and those opportunities, whether they're domestic or abroad.

Right now, our focus has certainly been on making sure that Canadian companies have the support they need to weather this difficult period. Researchers and innovators are working together to develop a vaccine, and we're supporting those innovative businesses and researchers.

With regard to companies that are retooling, we're absolutely supporting them, and for the agricultural businesses that continue to move goods across Canada and into the international marketplace, we're ensuring that they are supported at this time, particularly through our incredible trade commissioner service.

The Chair: You may ask a fairly quick last question, Annie.

Ms. Annie Koutrakis: Many of these small businesses are exporting their goods. Minister, what are some of the unique challenges that Canadian companies are facing during the new realities of this pandemic?

Hon. Mary Ng: I'm really proud that the trade commissioner service has been hands-on in providing access to information about how our Canadian small and medium-sized businesses can continue doing their work in exporting and has been working with them to ensure that they can still do the exporting, as they are, and that they're supported through our many missions across the world.

I often say that the trade commissioner service is Canada's best sales force, operating in 160 offices. They're working virtually. They continue to help our Canadian exporters through this time.

The Chair: Thank you both.

You may ask a single question, Mr. Cumming, and then it's Ms. Dzerowicz, and we'll wrap it up. We have another panel in waiting.

Mr. James Cumming: Thanks, Mr. Chair.

Thank you, Madam Minister, again, for being here today.

We have the CEBA loan program. For most of the businesses I talk to, that may cover their deferrals and some of their costs during this crisis, and you have a rent program that's going to take care of their back rent. The big issue, however, is that as we start to see these businesses open, they will have virtually no working capital. They'll be able to start, but they have no ability to pay, no ability to put inventory in place.

What is the plan you're working on to make sure that when those businesses reopen, they will have a shot at survival?

Hon. Mary Ng: That's such an important question. You're absolutely right. My department and I talk to businesses, and this issue for sure has been raised with us. I want to assure you that we are listening to those businesses and taking in their needs for additional support. We're going to keep doing this work to make sure they are supported, not only during this pandemic crisis right now but in their opening and restart.

• (1600)

Mr. James Cumming: I wouldn't wait too long.

The Chair: Thank you both.

On that point—and I think I've spoken to you on this before, Madam Minister—that may be an area that regional development agencies could look at. I know they don't provide working capital at the moment, but we've provided a lot more money to regional development agencies, and maybe they need to be looking at the aspect of coming up with some working capital for these small businesses.

Ms. Dzerowicz, you have one question, please.

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

Thanks so much, Minister. Thanks for your extraordinary hard work during these last few weeks and months. We really appreciate all your efforts to support small businesses across Canada, especially your work to support women entrepreneurs.

I'm going to follow along the line that Mr. Cumming was mentioning.

A lot of small businesses are thinking about how they're going to be reopening. They know they're going to have reduced capacity in the foreseeable future. One of the things we're noticing is that there are big differences among the digital capabilities of businesses. I wonder whether you're starting to think about how we might be able to support small businesses in this area moving forward.

Hon. Mary Ng: Thank you so much for that question.

The answer is yes, of course. In fact, I'm drawing from some really good examples of what is happening already during this time. Those businesses that have been able to pivot and create a digital presence or a greater digital presence are able to offset some of the losses they're getting because of closing their doors.

I like telling the story of a great woman entrepreneur out of Atlantic Canada whose business had only been open for two months. It's a bakery business. She had to shut her doors, of course, because of the requirements, but here's what she did.

She shut her doors. She has five employees. She used the wage subsidy to be able to pay those employees, half of whom are bakers. She managed to take the CEBA loan, and with that CEBA loan paid the top-up of 25%, so her employees are whole. She also invested in a new online ordering system. A couple of her staff now are working on those order intakes and so forth. She's managed to be able to get additional revenue to supplement what she's not able to do in her front door business. That's but one example among many.

The answer is yes, and we're very much thinking about how we can further support businesses in this way.

Ms. Julie Dzerowicz: Thank you.

The Chair: Madam Minister, that's a good positive note to close on, but I do have, if I could put it this way, a burr under my saddle on one issue. You mentioned it at the beginning. That's the CEBA, the Canada emergency business account, and the fact that people who use a personal chequing account rather than a business account don't qualify.

The executive branch has to find a way to deal with that. These people with a personal chequing account might have done it because it was cheaper for them in the beginning. They started that way and maintained it. They do have a bank account; it's just not the more expensive business account.

They have T4s. Most of them do. I know one who puts out \$87,000 in T4s. They can show the T4s and they can show their CRA account. They can provide the income tax documents. They should qualify, so I'd say let's get it done.

On that, I thank you very much for the information you provided, for answering our questions, and for appearing before the committee today. I wish you and your staff, and the others around you in the department, much success moving forward.

Hon. Mary Ng: Thank you so very much for the opportunity.

The Chair: With that, we will suspend for a few minutes. We have eight groups on the next panel, so we're really going to have to tighten it up.

We will suspend for a couple of minutes.

• (1600)

(Pause)

• (1615)

The Chair: I officially call this meeting back to order. It's meeting number 30 of the House of Commons Standing Committee on Finance, and we have the second of three panels today.

Just for the record, pursuant to the order of reference of Tuesday, March 24, the committee is meeting on the government's response to the COVID-19 pandemic.

We will forgo the rest of the formalities and go straight to our witnesses. I ask witnesses to try hold their remarks to five minutes. It's unusual for us to have eight witnesses, but we have a lot of interest in this panel, so if you can hold your remarks to five minutes, it would be helpful in allowing us to get in enough rounds of questions.

We will start with the Canadian Juries Commission and Mark Farrant, chief executive officer.

Mr. Farrant, the floor is yours.

Mr. Mark Farrant (Founder and Chief Executive Officer, Canadian Juries Commission): Thank you, and thank you, honourable members of the finance committee, for the opportunity to appear before you once again.

I would like to take a moment to recognize the incredible work of this committee during this global catastrophe and to thank you on behalf of all Canadians.

I'm here today to discuss the looming crisis within our courthouses that is threatening our justice system and the democracy of our citizens.

The COVID-19 pandemic has impacted every industry and sector like nothing in our history, and our courts and justice system are no exception. The closure of courthouses across the country as part of the emergency public health measures has created an enormous backlog of criminal cases, delaying trials and due process. Once regular court operations resume, there will be an unprecedented requirement for empanelling juries, and while appearing for a summons is mandatory, I feel many Canadians will be very reluctant to do so.

Recently, several Supreme Court justices raised concerns about the timeliness of trials—

The Chair: Mark, I told you to take five minutes, but I will have to get you to slow down a little. It's really difficult for our translators under this fashion, so slow down a little, please.

Mr. Mark Farrant: I apologize.

Supreme Court justices raised concerns about the timeliness of trials once courts resume, especially with respect to criminal and civil trials. I second these concerns, along with the expectations being placed upon potential jurors. Extremely resistant and unwilling to respond to a jury summons in the post-pandemic environment, many Canadians will not be equipped to serve on a lengthy trial so soon after the crisis, yet this will be the expectation.

Transitioning out of a period of unemployment, layoffs and tenuous employment, the focus for many Canadians will now be on their jobs and availability for work. Many will be experiencing financial hardships not seen in decades and still have family care commitments that will not have expired. Also worried about their own personal health, they will be fearful of close proximity to others in court and the confinement of jury duty.

The fears of infection will be starkly elevated among our senior citizens, a large proportion of whom sit on juries.

Canadian workplaces will be less willing or sympathetic to support employees during time spent in court, given their own economic fragility and desire to revitalize operations, putting mounting pressure on employees to respect their employers over their summons.

This current crisis will only serve to compound and deepen the foundational concerns for jury duty raised by the Canadian Juries Commission when we first appeared before you on February 6, 2020.

Jury duty is the last mandatory civic duty. Failure to show for a summons is punishable by a fine or imprisonment, yet I fear Canadians will be forced to make terrible choices between safety, duty and fines.

Jurors are an integral component of the court. Judges, legal counsel, court staff, police and first responders are afforded access to new and evolving evidence-based treatments, but the jury is not.

Alarming data has emerged during the pandemic highlighting the significant worsening of Canadians' mental health, raising concern among health care professionals about a looming echo mental health crisis.

The recent announcement by the federal government of significant mental health investments to address this present challenge must be met with similar funding for jury duty. Juror mental health requires a specific intervention through evidence-based assessment and treatment and trauma-informed approaches. This intervention must be given the same priority and made available to all regions of the country. Such is the mandate of the Canadian Juries Commission.

Given the deep concerns for jury duty, the Canadian Juries Commission would like to highlight the services we have in development now, which will provide critical support to the provinces and territories in managing juries, courthouses and support for jurors themselves. Our digital application will be made available to all Canadians free of cost, providing much-needed information about jury duty procedure and mental health solutions, with connections to practitioners and programs. It will be available in both official languages, as well as indigenous languages and others where appropriate.

Our online mental health, first aid and crisis management training for courthouses, court staff and officers managing jurors will be available across the country in order to fulfill a critical need. As Canadians begin to return to work, our jury duty workplace tool kit will assist employers and managers to help support employees as they transition through jury duty. Our much-needed juror peer support network is modelled after successful programs used by first responders, the military and veterans and has peer counsellors on standby awaiting training.

Our evidence-based assessment and clinical treatment programs, in partnership with organizations like CAMH and the Canadian Mental Health Association, will provide trauma-informed supports across the country to jurors following clinical best practices.

Honourable members, these are solutions that are needed now. These are solutions we can implement in time to meet the demand when courthouses reopen in the fall.

We were honoured to be included in this committee's first report among recommendations to the finance ministry to provide \$20 million in funding over 10 years to the Canadian Juries Commission to support juror mental health.

The Canadian Juries Commission respectfully asks the members of the Standing Committee on Finance to champion your unanimous recommendation to provide 10 years of stable funding now for the commission, so that as courthouses reopen after the COVID crisis, our programs can meet the needs of Canadians serving on juries.

• (1620)

We hereby also request that jury duty be added to the list of federal essential services to combat COVID-19 as part of Canada's post-COVID recovery efforts. This will send the right message to all Canadians and build confidence in the system.

Thank you for allowing me to appear before you once again today.

The Chair: Thank you very much, Mark.

We'll turn to the Fish, Food and Allied Workers and Mr. Sullivan, president. I believe Mr. Dias is with him as well.

Mr. Sullivan, the floor is yours.

Mr. Keith Sullivan (President, Fish, Food and Allied Workers): Thank you very much.

The Fish, Food and Allied Workers—Unifor represents 15,000 working women and men throughout Newfoundland and Labrador. Most of our members are employed in the fishing industry and are spread out in more than 500 communities in every region of the province. There are 10,000 employed in fish harvesting and 3,000 in fish processing.

COVID-19 has had a devastating impact on our province's fishing industry. Many fisheries have been delayed by more than a month at what would have been the beginning of valuable crab and lobster seasons, due to safety concerns related to the pandemic. Now that fisheries are up and running in Newfoundland, market challenges are severely impacting incomes.

To put it in context, last year's fishery was worth \$1.5 billion to the economy. The snow crab fishery alone was valued at more than \$350 million at the dock. Losses related to the pandemic could amount to hundreds of millions of dollars, and this is devastating for coastal communities.

Workers continue to be concerned about safety on the job and about how a shortened season will impact their income. Both harvesters and plant workers rely on employment insurance to supplement income during the off-season. For harvesters, these EI benefits are based on earnings, not insurable hours. With most harvesters expecting a significant decline in earnings this year, many were rightly worried about qualifying for benefits once the fishing season ends. They were relieved to hear the federal government's announcement last week of changes to fishing EI so that harvesters can use the previous year's earnings to qualify in 2020, in addition to the new wage subsidy and grant for fishing enterprise owners.

It will be important to ensure that these programs are implemented to achieve their intended goals and that harvesters don't fall through the cracks. Consideration must be given to fishing enterprises that are severely impacted or have no opportunity at all to sell their catch.

Processing workers face similar struggles. Those workers rely on EI benefits and were left out of the recent federal announcement for harvesters. Like harvesters, processing workers are on the front lines, working to provide fresh, high-quality seafood to domestic and international markets, feeding coastal communities and supporting many fishing families.

Given the delays in the season and the market challenges that have limited the amount of seafood we will process and export, many processing workers may see reduced work and income, and thus may not have enough hours to qualify for adequate EI benefits to carry them through until next year. These workers will need support from the government, either by an extension to CERB or through changes to seasonal EI, similar to the recent changes to fishing EI that will ensure they can qualify based on last year.

The inshore fishery is the primary economic driver in a majority of our coastal communities. Jobs in the fishery provide good middle-class incomes in rural communities, which is why support for the industry in the short term is so critical. Protecting and promoting a fishery that serves communities, addresses challenges in food security and provides good wages and safe workplaces must be priorities for all levels of government and all stakeholders in our industry if we want to come out of this pandemic with vibrant and sustainable coastal communities and an economy where no one is left behind.

Thank you.

• (1625)

The Chair: Thank you, Mr. Sullivan.

My apologies for not getting you on last week when all the other fish organizations were on. The slate was full, if I can put it that way.

We'll turn to HealthCareCAN, with Paul-Émile Cloutier and Mr. Wouters.

Please go ahead, Mr. Cloutier.

Mr. Paul-Émile Cloutier (President and Chief Executive Officer, HealthCareCAN): Thank you, Mr. Chair.

Many thanks to the committee for the opportunity to present to you today.

I'm joined by my colleague, Dr. Brad Wouters of UHN, who can take part of any detailed questions you may have during the question and answer period.

I would like to start with the general but very important observation regarding all the organizations I represent. Does the Government of Canada consider the research hospital network and its research institutes on an equal footing with the private sector? Our network is a major economic driver and its research brings tremendous value to public health and to Canadians.

The second question that I would put to you is this: Are we really prepared to do some soul-searching and review our practices vis-à-vis a health system that has shown obvious weaknesses, a lack of national coordination, a major financial crisis and depleted human resources?

When Canadians think of health care institutions, they think of life-saving care delivered to those who need it and available when they need it. That is true and it is important. Indeed, it is foundational, but there is another side to Canada's community of health care institutions that is less well understood. Canada's health care institutions are world-class hubs for research, innovation and commercialization in the field of health. Research institutes based in health care are developing answers to the great questions of the day, working at the bleeding edge of disciplines that run the gamut from precision genomics to population health.

Health care institutions across Canada are a major economic force in Canada, employing over 650,000 employees, 8,000 to 10,000 scientists and 60,000 research staff and students. That workforce supplies the raw talent for Canada's \$7.8 billion biotech industry and generates untold knock-on economic benefits for Canada.

The federal funding for wage support announced by the government last Friday was met with great relief by the health research community and may have avoided the loss of up to 15,000 jobs in May alone. We are sincerely grateful for the government's consideration and foresight in this matter.

Canada's health care organizations have taken extraordinary steps to provide care to Canadians throughout this pandemic. Steps that have been taken required major investments and incurred unforeseen expenses. The federal government has been highly responsive to Canadian businesses and has not hesitated to take steps to mitigate their significant financial losses.

The health care system—including long-term care and home care—should and must receive equal attention from the Government of Canada. The Canadian hospital system must be given access to contingency assistance programs and what's more, this decision must be viewed as one that will be carried out in the future.

With a projected deficit of \$250 billion, what does the future hold for Canada's health care system and all the researchers who support it? We cannot afford to gamble on the future. The health of Canadians deserves more than a debate between governments in a power struggle that too often proves unproductive and ineffective.

With that in mind, Mr. Chair, I would ask the committee to consider the role the federal government should play in striking a better

balance across jurisdictions in order to support a health system reeling from the epidemic.

Thank you very much.

● (1630)

The Chair: Thank you very much.

I am turning then to MNP, Ms. Lidder and Ms. Drever.

Go ahead.

Ms. Amanjit Lidder (Senior Vice-President, Taxation Services, MNP LLP): Thank you, Mr. Chair.

It's an honour for Kim and me to address you in the House of Commons finance committee on the government's response to the COVID-19 pandemic. We appreciate the opportunity to be back and to see familiar faces despite the circumstances that we find ourselves in.

Thank you for your continued leadership. The quick response by the government has been welcomed. The steps that lie ahead are just as important as those already taken. MNP is the leading national accounting, tax and business consulting firm. As the largest professional services firm headquartered in Canada, we have a unique vantage point from which to see the challenges facing Canadians and Canadian businesses.

In our capacity as trusted advisers to 180,000 private enterprises and small business clients, and 19,000 farms from coast to coast to coast, we have seen first-hand how challenging the last two and a half months have been and the difficult road that still lies ahead of all of us.

Inspired by the concept in disaster recovery of "build back better", we are here today to discuss tangible measures to kick-start Canada's economic recovery and get people back to work. While build back better is technically referenced in the context of critical infrastructure like bridges and dams, there is little more critical than the economic well-being and confidence of every Canadian.

Every aspect of Canadian life has been impacted by COVID-19. As Canadians begin venturing out from the last 60 days spent under public health orders, everyday actions as simple as turning a door-knob are looked at with suspicion and nervousness. According to a recent poll, over 50% of Canadians find it stressful to even leave the house.

In our submission, we outline an action plan for today and for the future. The first phase includes steps that will tackle the crisis of confidence facing Canadian businesses, while ensuring that Canadians can return to work safely and that the economic environment is one that they can trust and believe in.

Many businesses will have to retrofit their spaces to adapt to the evolving circumstances. As well, families will have to modify their homes to care for aging parents and adapt to working from home. Introducing a refundable tax credit for costs associated with commercial, industrial and residential modifications will help create safer, more efficient building infrastructure and will also stimulate consumer spending.

Families that are already saddled with significant personal debt and the reduction of available jobs have students and their parents wondering whether they can still afford post-secondary studies. We recommend that the annual tuition transfer cap be eliminated, allowing supporting parents to claim full tuition costs. This will increase access to post-secondary studies for cash-strapped families.

As our economy stabilizes, we recommend creating a temporary system modelled after the homebuyers' plan, where Canadians can access some of the funds in their RRSPs like a rainy-day fund without facing immediate and punitive tax consequences.

Governments across Canada acted quickly to help Canadians, and for that we are all grateful. From St. Patrick's Day to May long weekend we saw 300 programs, grants, deferrals, subsidies, loans and other measures announced by the federal, provincial and territorial governments with the express purpose of stabilizing the economy in the face of the public health crisis.

There are still some items to clarify with respect to the Canada emergency wage subsidy program. Take, for example, a flower shop in Ottawa that has decided to purchase a second location in Cornwall. If the Ottawa location had bought the shares of that second location, that business would be eligible for the CEWS and could retain its employees. If instead the Ottawa location decided to buy the assets of the second location, the business would not be eligible for the CEWS program.

It's important to remember that these are emergency programs. They were not designed as long-term economic recovery programs. If done in a gradual way, phasing out current emergency programs such as the CEWS and the Canada emergency response benefit will ensure Canadians can build back a robust and growing economy.

• (1635)

The CEWS phase-out could target businesses that are still under public health orders to remain closed or that were most severely impacted by the pandemic, or decrease the subsidy percentage from 75% over time.

We know businesses with a rainy-day fund were less reliant on the emergency programs and were able to maintain their employees with limited support. The current tax rules penalize small to medium-sized Canadian businesses for maintaining cash and investments over a certain amount. It is imperative that this limit be increased to ensure businesses can weather future challenges.

Last, there has been much written about Canadian debt loads. We are taking on more debt at the household level and across all orders of government. At MNP, we've completed a quarterly consumer debt index. Our March, 2020 study indicated that nearly half of Canadians are concerned about being close to insolvency.

It is our recommendation that future economic recovery programs consider the concerns of impending deferred debt obligations, and incentivize real economic growth and job creation. We need a strong foundation and framework for recovery.

Thank you for your important work.

• (1640)

The Chair: Thank you very much, Ms. Lidder.

I'll turn to the Stratford Festival, and to Ms. Stephenson and Ms. Gaffney.

The floor is open to whoever is taking it.

Ms. Carol Stephenson (Chair of the Board of Governors, Stratford Festival): Thank you, Mr. Chair, and thank you to the committee for inviting us here today.

The Stratford Festival's executive director, Anita Gaffney, is with me today and is also available to answer any questions.

We would both ask that you think of the Stratford Festival as a business, because it's the way we see ourselves. Ours is a \$65-million company that sells its product to the world. This product—unparalleled in North America, with featured artists like Colm Feore, Martha Henry, Maggie Smith and Christopher Plummer—has attracted almost 29 million visitors to southwestern Ontario over the past 67 years.

The Stratford Festival attracts a diverse audience. While it comes from around the world, it is significant that 25% come annually from the United States. These are people who return to Stratford, to Canada, year after year, generation after generation, boosting our tourism economy and proving that when you do something of value it has a lasting impact. In the Stratford Festival's case, that impact is \$130 million a year in economic activity, verified by the Conference Board of Canada.

The Stratford Festival was founded in 1952 to save the town from economic disaster when it lost its major industry. It worked, and it continues to work. The festival has grown to become the marquee tourism event in the multi-million dollar tourism industry of southwestern Ontario. It's the largest not-for-profit theatre in North America. It presents 700 performances of 15 productions on four stages. It attracts 500,000 people a year. It employs 1,000 people, creates 2,400 more full-time-equivalent jobs and supports hundreds of small businesses in the region. It drives \$55 million in taxes to the three levels of government annually, and has the highest level of earned revenues, at 94%, and the lowest level of government support, at 6%, in the not-for-profit performing arts industry.

Not only is the festival a major attraction, it really does operate as a business. It's also good for business. It is a key attractor used for medical and corporate recruitment, and by regional economic development departments.

When I was the dean at Ivey, I touted the festival quite a bit in my efforts to recruit top talent. I know I was certainly not alone in that. I can attest to the fact that the Stratford Festival is extremely fiscally responsible. I say this as a business leader. It pains all of us to be in this position. It is not our usual manner, and one we will not become accustomed to. However, because of this pandemic, a business model that has worked for decades has been turned on its head. Without ticket sales, the festival's unique ability to be 94% self-funding becomes a unique vulnerability, forcing us to turn to government for its very survival.

The festival's survival is vital. It would not simply be a profound cultural blow to lose the festival. Stratford mayor Dan Mathieson has said it would have a catastrophic impact on the community, causing the loss of more than 3,400 jobs and decimating the downtown core. It is essential to save the festival, and we have taken a number of immediate steps to help stabilize the organization.

We have launched a ticket donation campaign. We have reduced overhead expenses. We have instituted a 50% salary reduction for the executive director and artistic director. We have drawn from our endowment. We have accessed the CEWS. We have accessed a \$6-million line of credit from our bank, and we have launched a fundraising campaign to support our recovery.

Even with all of these efforts, there is a shortfall of \$20 million. We need the help of government to close this gap. We are committed to raising \$12 million in private sector donations, and we ask government to contribute \$8 million through a combination of a grant and a loan.

- (1645)

With the support of the government, we can continue to generate jobs, economic activity and tax revenues well into the future. In exchange, we promise a tremendous return on investment, both culturally and economically, and \$8 million is after all just 15% of the \$55 million in taxes we generate annually.

Granting this urgent request will protect 3,400 jobs, stimulate the regional economy by at least \$135 million annually and preserve the international prestige of this world-renowned Canadian theatre.

Thank you very much. We look forward to your questions.

The Chair: Thank you very much, Ms. Stephenson.

We will turn to The Globe and Mail. Appearing is Mr. Crawley, publisher and CEO.

Mr. Phillip Crawley (Publisher, President and Chief Executive Officer, Toronto, The Globe and Mail): Hello. Thank you for asking me to speak today.

I've been publisher and CEO of the Globe for the last 21 years. I'm also co-chair of The Canadian Press, so I'm wearing two hats today.

The Globe is privately held by Woodbridge, which is the holding company for the Thomson family. They've owned media since the early days of Roy Thomson in the 1930s. I worked for him and his son Ken in the U.K. when they owned some of the leading titles there. Now the third generation, in the shape of David Thomson as chairman, is in charge.

One common factor across all those decades is that the principle of editorial independence is respected. Our proprietor doesn't dictate what we publish or what causes we support, and the Thomsons have an enduring belief in the value of journalism that makes a difference. They own the Globe because they think it can make a contribution to Canada.

The cornerstone of our business is not advertising, which is a revenue stream that shrinks each year. No, the present and the future of the Globe is founded on readers and users paying for our content. More than 60% of our revenue comes from subscriptions, print and digital, and advertising revenue is now only 33%.

To keep on growing our subscriptions, we invest in editorial talent. The best reporters, columnists, designers and data scientists support that business goal. At a time like this, when expert comment and analysis on the pandemic is in high demand, we rely on the wisdom of journalists like André Picard. We have the best team of health and science writers in the country.

Normally we would put that reporting behind the paywall to drive subscriptions, but at the start of the pandemic crisis we made a decision to open up our paywall. We felt it was important for all Canadians to be able to access that content for free. Our audience doubled in April as a result, and we had our highest-ever traffic levels on our websites. That means we sacrificed revenue, but we built trust with our audience. In the current climate, being able to rely on accurate information is a key priority for many Canadians.

We are one of a small number of publishers around the world that have transitioned successfully to a business model that's based on premium content. The majority of our revenue comes from the 120,000 digital subscribers and the 110,000 print subscribers who currently pay to consume our journalism. Because only a third of our revenue comes from advertising, the consequence is that we did not qualify in March for the government's new wage subsidy scheme. April revenue went down further, and May will be about the same on the advertising front, so it remains to be seen if we become eligible.

In their latest results announced last week, Postmedia stated that they expect to receive \$20 million to \$22 million in wage subsidy from March 15 through to June 6. Torstar, the second-largest group, expects to collect \$18 million in the same period. For many in our industry, this is welcome and substantial assistance from the government.

Let's be clear. The long-term outlook for the Globe and many others has darkened because of the pandemic. Print advertising revenue, once the backbone of newspapers, will go into accelerated decline. Some companies have been reporting a 20% annual drop in print advertising revenue, and that was pre-pandemic. For our new fiscal year starting in September, the Globe is forecasting a drop of 32% year on year in print advertising. That's many millions of dollars of high-margin revenue, and we won't be the biggest victims in Canada.

We have been cutting costs over the last few months to minimize layoffs, and I have suggested schemes to Canadian Heritage like a rebate on our printing costs or a subsidy on the fees that all the leading media companies pay each month to The Canadian Press. The broadcasting industry has received additional support, and I argue that targeted support measures for the news publishing industry are likewise needed to help publishers weather the storm.

The newspaper industry is disappointed by the small amount of money spent so far by the federal government from its \$30-million COVID-19 awareness campaign. So far the Globe has received only \$81,000 out of that \$30 million. By contrast, the Ontario government has spent nearly \$1.5 million with The Globe and Mail in the last two months on its health awareness campaign. That was a deal done within 24 hours and implemented immediately.

● (1650)

You are no doubt aware that all of Canada's major publishers signed an open letter earlier this month calling on Ottawa to address the inherent unfairness of the system whereby the global platforms enjoy exemption from sales tax in Canada, while paying nothing for the journalism content that they use. The lack of protection for the copyright of our most valuable asset, our content, is a well-known problem. Tax and trade treaties with Washington are no small barriers to solving these issues, but even in the U.S.A the publishing industry association is asking Congress to enable newspapers to bargain with Google and Facebook on a level playing field.

If you value the contribution that newspapers like The Globe and Mail make to the democratic debate and you want to see them survive the current crisis and be healthy, I suggest it's time you pay urgent attention to these inequities.

Thank you for listening. I'm happy to answer questions later.

The Chair: Thanks very much, Mr. Crawley.

Jerry Dias, I have you down here twice. I have you once with the Fish, Food and Allied Workers and once with Unifor. I'm not sure if you have anything you want to add or not, but I will give you the floor for a couple minutes.

Mr. Jerry Dias (President, Unifor): Thank you.

My name is Jerry Dias, and I'm here on behalf of Unifor, Canada's largest labour union in the private sector. I appreciate having the opportunity to speak with you today.

Look, we're living in extraordinary times. A public health crisis that has already claimed the lives of 6,000 people in Canada has spiralled into a deep and painful economic slowdown. Millions today are unemployed. Many are afraid to go back to work. Not a day passes that I am not grateful for our front-line workers. I am grateful for those in health and long-term care, in retail and in our transport and logistics industries who are risking their lives for our well-being despite low pay and a continuing lack of needed PPE.

As our country stared down economic catastrophe earlier on, Unifor called on the federal government to act boldly and quickly. Despite some early missteps, the government acted on and adjusted key policy programs appropriately. There have been many, including the Canadian emergency wage subsidy. Federal transfers to incentivize premium pay for low-wage workers also filled a major need. The Canadian emergency response benefit, for instance, picked up the slack for our employment insurance system, which is evidently broken and in desperate need of repair. I am glad the CERB moved money into people's pockets so quickly. It will serve as a case study for better income assistance.

However, the CERB has flaws that need fixing. At the top of that list is for ministers Morneau and Qualtrough to allow employer-paid and Service-Canada-registered supplemental unemployment benefits, or SUB, alongside CERB. It is ludicrous that the ministers are denying hundreds of thousands of workers additional income supports, some as much as \$500 and \$600 per week, that employers are ready, willing and able to pay.

Our union has been beating this drum for workers in major sectors like auto, aerospace, steel, rail, health care and public services, among others. Employers, if you can imagine, are themselves lobbying the government, asking to pay these funds, all to no avail.

Fixing this will cost our public purse precisely nothing, yet the answer has consistently been no. This does not make a stitch of sense. Affected workers are outraged. This committee should be as well. It's a no-brainer. It takes a simple regulatory fix that we proposed more than a month ago.

I'm asking this committee today to get this matter resolved.

Thank you.

• (1655)

The Chair: Thank you, Jerry. Can you send the clerk that regulatory fix you've proposed? I don't think we've seen it.

Mr. Jerry Dias: Absolutely.

The Chair: Before I turn to Dr. Robson, I'll give a heads-up to committee members. I will go to four and a half minute rounds for the whole series in order to get as many members on as we can today.

We'll start with Mr. Cooper. Then we'll go to Mr. Fragiskatos, Mr. Ste-Marie and Mr. Julian in the first round.

With that, we have Dr. Jennifer Robson, associate professor at Carleton University, as an individual.

Dr. Robson, the floor is yours.

Professor Jennifer Robson (Associate Professor, Carleton University, As an Individual): Thank you, Mr. Chair and members of the committee, for the opportunity to join you today.

COVID-19 has not hit all Canadians equally, whether in terms of health or economic effects. My remarks today will focus on two such forms of inequalities that I think are particularly relevant to the work of this committee: those in information and those in household financial resources. These have mattered during the crisis and they will continue to matter during the economic reopening and eventual rebuilding.

Too many Canadians find government programs confusing, and they are confusing. Online FAQs and call centres are no substitute for personalized information and guidance. I don't have to tell you, as MPs, how important it is that Canadians have access to local, accessible and accurate help to use government programs. You and your constituency teams have been playing a vital role in connecting people to the help they need, but you can't do it all—no one network can. We need to build a properly resourced web of non-profit services to answer questions, problem-solve and advocate for clients who can't do it themselves. As I said to your colleagues at the standing committee on human resources, I would encourage the committee to look at the Citizens Advice bureaux in the United Kingdom or the Financial Empowerment Centers in the United States for ideas of the kinds of networks that could be possible.

One-third of Canadians came into this crisis without enough liquid financial savings to pay for even a poverty-line standard of living, let alone their usual level of consumption, for even a month. A

bit of additional liquidity in the form of mortgage and tax deferrals will have helped some, but part of the rebuilding phase is going to have to be rebuilding household finances. I hope members of this committee will work with colleagues to find better tools to help households reduce debt and build emergency savings. Passive tax incentives alone will not work, nor will austerity. In fact, austerity will only further reduce consumer confidence and demand among households with the greatest marginal propensity to consume.

Let me close with some observations on the temporary income support measures as we enter a new transition phase. This committee will have heard from senior officials in government that there is much we can't do as quickly as we should be able to do, or even at all, because our government IT systems cannot handle rapid changes or fine-grained exceptions to general rules. Many Canadians are going to continue to need income support for the next while because reopening is gradual and is going to be uneven by region, by sector, and frankly, by gender. We have to hope that the emergency wage subsidy will mean that some share of layoffs won't become permanent. I am concerned by the lower than projected uptake of the subsidy so far, but I am pleased that the government has extended the eligible period for this program. That is the right thing to do. We want to incentivize work but only if that work is safe to do.

The CERB will have to be wound down gradually and adjusted for differences in labour market opportunities. The same challenges of coverage and speed in processing that plagued EI at the start of this crisis have not been magically resolved in the intervening time. When thinking about this next phase of financial support, I worry that we will again be faced with trade-offs between making speedy payments with minimal variations and making payments more slowly but adjusting for individual differences in labour market earnings.

We can, however, try to reconcile speed and variation in individual payments if we trust Canadians and accept declarations and attestations, with strong backstops in file review and recovery of funds, instead of holding payments until records of employment and other traditional forms of third party verification are received. Going forward, investments in systems such as e-payroll or better access to real-time economic and financial data would reduce the reporting burden on Canadians, address fears of fraud and allow public programs to be far more nimble and responsive.

Thank you, and I look forward to your questions.

• (1700)

The Chair: Thank you very much, Professor Robson.

Thank you to all the witnesses. When we have a panel such as this, which is a mixture, I think, even for you, we see the complexity of the Canadian economy. Witnesses sometimes tell me when we do things this way it is interesting. We all tend to operate in silos, so it's interesting to see some of the problems of others in their areas of responsibility.

With that, we will go to four and a half minute questions. Let's try to keep it very tight if we can so we can get as many questions in as possible.

Mr. Cooper, we'll start with you, followed by Mr. Fragiskatos.

Michael.

Mr. Michael Cooper (St. Albert—Edmonton, CPC): Thank you, Mr. Chair.

Thank you to the witnesses. This is a very interesting panel.

I'm going to direct my questions to Mr. Farrant.

Mr. Farrant, first of all, thank you for your advocacy for juror supports. As you note, jury service is the last mandatory form of civic duty, and jurors play a fundamental role in the administration of justice across Canada. It was a unanimous recommendation of this committee during pre-budget consultations to provide the Canadian Juries Commission with \$20 million over 10 years, which, in the context of the federal budget, is at best a rounding error.

Can you speak to the need for the urgency of that funding in the face of COVID?

Mr. Mark Farrant: Thank you for the question.

We have written to all of the attorneys general in the provinces and territories across the country and have heard back from a number of them about their deep concerns for jury duty when the courthouses reopen. There will be an enormous groundswell of cases coming to courthouses, deeply concerning cases, and Canadians are not in a position to accept a jury summons. The last thing on Canadians' minds during economic fragmentation, unemployment and job insecurity is responding to a summons.

We have heard from those provinces and territories. I received a letter just the other day from the Attorney General of the Northwest Territories, who is looking forward to working with us and is recognizing the need to ensure that due process can continue and that jurors can return to the courthouse with appropriate health and safety

measures in place, but really, there [*Technical difficulty—Editor*] a certain need for a program such as ours to ensure that mental health is maintained.

The foundational issues that we raised at committee haven't gone away. In fact, as I said, they are going to be compounded and deepened by this crisis. Canadians will be coming out of this crisis with post-pandemic shock most likely and deepening levels of depression and anxiety, so our mental health platform is desperately needed.

Mr. Michael Cooper: Thank you for that.

You noted in your answer that you have been engaging with attorneys general across Canada and did receive responses from several, including the Attorney General of the Northwest Territories. I guess one of the inhibitors in terms of the commission's ability to work with some of the provincial and territorial governments is a lack of funding. Isn't that right?

Mr. Mark Farrant: That's correct. There are scant resources available to jurors right across the country. There hasn't been a national organization until now—the organization that I founded—that speaks on behalf of jurors and represents them at the table in justice discussions and within the justice community.

There is a need for this service. There is a need for a voice. There is a need for an organization that can work on behalf of Canadians serving jury duty, which is an enormous responsibility, and can work with them as they transition out of that service back into the community and return to their lives.

Working with Canadian workplaces is one of our core pillars. We know that workplaces have had, at best, very passive support for jury duty in the pre-times, I guess we can call it. Post-COVID-19 they're going to be extremely unwilling to support jury duty, because of the revitalization efforts for their own businesses.

• (1705)

The Chair: There's time for a quick question, Michael, and a quick answer.

Mr. Michael Cooper: Okay.

Maybe just to sum up, can you identify some of the key gaps that the Canadian Juries Commission seeks to fill in terms of jury support, gaps that are important to fill?

Mr. Mark Farrant: There are inconsistencies in mental health services available to jurors across the country. There are still provinces that have no services at all available to jurors following their jury duty service.

Also, there is inconsistent workplace support. Jury pay is not sufficient to balance unemployment and job insecurity across the country. We know that jury pay has not kept pace with the modern world. In some provinces, Ontario, for example, you're not even paid for the first 10 days of your jury duty service. Employers are obligated to maintain your job during jury duty, but they're not obligated to pay you, to continue your [*Technical difficulty—Editor*]

The Chair: Okay. Thanks, both of you.

We're turning to Mr. Fragiskatos, who will be followed by Mr. Ste-Marie.

Peter.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you, Mr. Chair.

This question is for the Stratford Festival, and I want to start with Ms. Stephenson, if I could.

Carol, thank you very much for appearing today. What an insightful presentation. I think you put your finger on a number of different issues. It's striking to me that as someone who, in your case, has served as dean at the Ivey Business School, as vice-president of Bell Canada, as president of BCE Media and was on the board of directors of GM Canada, among other things, you come at this from a business perspective. Here's someone making the case to the federal government to get behind an arts organization. As you yourself said in your opening remarks, the festival sees itself as a business.

Can you make the case once again in terms of why the federal government ought to get behind the festival, not because of the obvious intrinsic importance of the arts in our lives, but from a very straightforward business perspective? I know you outlined it, but tell us again your view on this, because I think you've touched on a number of issues. On the economic importance of getting behind the arts, you're underlining it, and it has become very clear that it's an important thing to do.

Ms. Carol Stephenson: If I take it from an economic impact perspective, that's probably the best business case.

I mentioned about \$135 million in southwestern Ontario. I mentioned a number of businesses that are supported. Think of the B and Bs, the hotels, the restaurants, small businesses. There are so many ancillary businesses that really thrive because of the festival's presence and the 500,000 people who come to this area and Canada from outside of Canada. The economic impact is huge.

The second thing I think is important as a business person is to have good cultural amenities to attract top talent. As a country, we're always working hard to attract the top talent. From my experience, if you look at the technology sector or any other sector, this is one important critical piece in the attraction tool.

It's a multi-faceted business impact as well as it is a business unto itself. I think Canada, and certainly southwestern Ontario, is well served by the business impact and the economic impact of the festival.

Mr. Peter Fragiskatos: Thank you very much.

How would \$8 million in the form of a grant and a loan be used by the festival?

• (1710)

Ms. Carol Stephenson: On the grant side, we would like to use that as a matching stimulus to the private sector. My experience in fundraising is that the private sector responds very well to incentives. I know they think it's important that government support us in this important time, so it would be an incentive to get more private fundraising. It's also a good leverage of the government money, because you get more investment from the private sector. It works two ways.

The loan side is really to get us through this urgent period. It's a cash situation. I outlined at the very beginning the number of things we did very quickly off the mark to save cash. It's a liquidity issue. That would be the use of it.

Mr. Peter Fragiskatos: Okay. Thank you very much.

The Chair: There's time for a quick one, Peter.

Mr. Peter Fragiskatos: This is question is for Ms. Gaffney.

It's nice to see you again. I remember in better times visiting the festival and we were there together. It's great to have you here virtually.

Simply put, what does Stratford look like without the festival?

Ms. Anita Gaffney (Executive Director, Stratford Festival): It looks like a ghost town. It's main streets have empty stores and lots of parking. It's having a massive impact on the business community here. It's not just the hotels and B and Bs and those you might think, "Oh, yes, those are people who work in tourism." It's the industries that support tourism. It's the construction, the accountants, the lawyers. It's all the services.

It is having a massive impact on not just Stratford but also southwestern Ontario. In the research we've done, we see that about 95% of the visitors who come to this region are coming principally for the Stratford Festival. We know that this is a major catalyst and we are looking for the support.

Thank you.

The Chair: Thank you, all.

Next we have Mr. Ste-Marie, followed by Mr. Julian.

Gabriel.

[*Translation*]

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

I'd like to thank all the witnesses for their presence and their presentations.

My questions are for Mr. Dias.

I would like to discuss the Supplemental Unemployment Benefit Program, the problems associated with it, and your proposed solutions.

I put questions to the Department of Finance, but according to the answer I received, it did not seem to want to move. I questioned the Minister of Finance during a telephone briefing, and he gave me the same answer as his department.

For five minutes I questioned the President of the Treasury Board in the House to try to resolve this situation, but I got only terse answers.

Mr. Dias, could you explain in detail what the problem is for the thousands of workers with respect to the supplementary unemployment benefit and tell us what solutions you propose?

[English]

Mr. Jerry Dias: First of all, the government is saying that if you receive a supplemental unemployment benefit, then it's not eligible under CERB. For auto workers, for example, I have 50,000 members who have SUB top-ups in case of unemployment, including workers who work for the federal government.

Let me give you an example. Because of the pandemic, instead of our workers who are laid off going on employment insurance, they went on CERB. Right off the bat, they took a cut of \$73 a week. We understand that with the pandemic, people were doing everything they could. But now that they're not eligible for SUB, a production worker, for example, who works for Chrysler in Brampton is out \$370 a week over and above the \$73. If you're a skilled trades worker, it's \$520.

A lot of the employers in the beginning, because there was a lot of uncertainty, paid the SUB top-up. Then, all of a sudden, the government came out on May 8 and said, "Absolutely not. You can't pay SUB." All of a sudden, you have tens of thousands of workers across the country who were receiving SUB, who are already struggling, and now at the end of the year there's going to be an overpayment created and they're going to have to pay back thousands of dollars. It just doesn't make a stitch of sense.

I can't get a logical argument. The argument is that we don't want employees to get the SUB payments if they're on CERB because that'll be an incentive for employers to lay off workers so that they can go on CERB and then employers will just pay the top-up. It's a crazy argument. It doesn't make any sense at all. At the end of the day, the only people who get screwed here are workers. I have tens of thousands of workers. I have workers who have just gone back to work in the auto industry who are scratching their heads. Their employers are saying to them, "We want to pay." Employers called me. They've sent letters to the government to say, "We want to pay. What the hell is wrong with you?" The government is saying, "You can't."

I've never seen a situation in which we're dealing with a pandemic. We have negotiated collective agreements that say employers have to pay the top-up, and the government is saying to the employers, "Don't worry about it. You get a free ride."

We represent the workers at Marine Atlantic. It's a Crown corporation. In the collective agreement I signed with the federal govern-

ment, there's an SUB. Hundreds of my members who provide the ferry service from Sydney, Nova Scotia, to Newfoundland are on layoff and they're not receiving the SUB payment that we negotiated with the federal government.

If anybody can make a stitch of sense of this, please tell me, because I can't figure this one out.

• (1715)

The Chair: Mr. Ste-Marie, you can have a fairly quick question, of about 20 seconds.

[Translation]

Mr. Gabriel Ste-Marie: Thank you for your statement, Mr. Dias.

What solution are you proposing to the government?

[English]

Mr. Jerry Dias: The solution is that they not deem SUB payments earnings in order to be eligible for CERB. You treat the SUB and CERB in exactly the same way as you would if the person were receiving employment insurance. After all, the CERB was just a quicker way to get to employment insurance because the EI system was crashing. You just treat them the same. It's just not deemed as earnings. It's a simple regulatory fix.

[Translation]

Mr. Gabriel Ste-Marie: Thank you.

[English]

The Chair: Thank you both very much.

Send us that proposal, Jerry, as I asked before, to the clerk.

Mr. Jerry Dias: I will.

The Chair: We turn now to Mr. Julian, who will be followed by Eric Melillo.

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

Thanks to all our witnesses. We hope that your families are safe and healthy.

I'd like to direct my questions to Mr. Dias as well.

Thank you very much for being here and representing the largest private sector union right across the country. The NDP has repeatedly raised the issue of the supplementary unemployment benefits. Brian Masse has raised it. Daniel Blaikie has raised it with the minister of employment. Scott Duvall has raised it. I've raised it with the Minister of Finance, repeatedly.

As you mentioned, Mr. Dias, there is no sense. The bureaucrats are very clear that there is no problem with—

The Chair: We lost you, Peter. Peter, did they cut your Internet in Vancouver there, or what?

Mr. Jerry Dias: I think the finance department cut your Internet.

The Chair: No, I thought it was the NDP government in Vancouver.

Peter, we will come back to you. We'll get the technical people to sort it out.

We'll go to Eric Melillo.

Eric, I probably don't have your last name right. This is your first time at this committee. Welcome. You have four and a half minutes.

Mr. Eric Melillo (Kenora, CPC): Thank you, Mr. Chair. You did get it right; very good job. Most people don't get it on the first try.

I would like to direct my questions to the representatives from the Stratford Festival. Our Conservative deputy House leader, who's on the call right now, is also a strong supporter of the Stratford Festival and the huge jobs it brings to southwestern Ontario.

I'm an MP from northwestern Ontario, representing the riding of Kenora. I think we are very similar in the sense that in normal times, we're a hot spot for domestic and international tourists. Right now, many of our small businesses who rely on those tourists are being hurt by this. It's not just hotels and camps, as previously mentioned, but also restaurants, retail stores and a number of other businesses. I'm sure the economy in Stratford is very similar to that.

I wonder if you could provide a little more detail on some of the economic benefits of tourism to our local communities and, by the same token, the negative impacts of a reduced season.

Ms. Anita Gaffney: We were set to start our performance season in April. We would have had 500,000 people joining us this year. We were going to open a brand new theatre, Tom Patterson Theatre, so we were really set for a very exciting season.

Based on a study by the Conference Board, each visitor to the festival spends roughly \$300. That is an exponentially higher number among our U.S. visitors, who represent about 25% of those people who come to Stratford. The people who come from the U.S. tend to be very loyal. They're very supportive of the core mandate of the Stratford Festival. They see something here that they can't get anywhere else in North America. I'm sure that's the same in Kenora. You're offering something that is so unique.

In the absence of the theatre operating this year, I'm sure we'll see a lot of the small businesses in the community struggling to stitch together a year. We are working with an economic development corporation, investStratford, to help think about the ways to draw visitors and to keep Stratford in their minds.

We are also doing a film series. We were able to film 12 of our productions. We're airing them in a free film festival that started April 23 and will run into the next few weeks. That's playing a very important role to stay connected to people and also to reach out to new people. We're seeing people from Japan, South America, across the country and around the corner view these films. I think it has exposed us to a new audience but also has kept us connected.

I think the community will see a major absence this year. We want to keep the festival sustainable. That's why we're making this request to keep the festival sustainable, so that we can be there and be part of the rebuilding of the tourism economy in this region.

● (1720)

Mr. Eric Melillo: I've also heard from many seasonal businesses who are asking for some more definitive timelines on when certain sectors, particularly the tourism sector, will be able to reopen, especially in terms of some certainty around the U.S. border. From your point of view, would more definitive timelines for domestic and international reopenings benefit your festival?

Ms. Anita Gaffney: They would. We're looking closely at what's happening in other countries and how their restart is happening. We have the benefit of watching some other countries and seeing not just how governments are handling it but also the readiness for people to gather. We're watching that closely. We're responding, as we think about our plans for reopening, in terms of how we can reopen in a way that will be comfortable, safe and accessible for people.

Mr. Eric Melillo: I think I'm running thin on time here.

The Chair: You have 20 seconds. Go ahead, Eric.

Mr. Eric Melillo: Thank you.

Could you expand a little more on some of the reopening plans after COVID? How will that work in terms of dealing with this crisis, going forward?

Ms. Anita Gaffney: We're looking at a number of scenarios for the 2021 season. Going into next year, we're looking at the productions we might do; at some of the things we had on the playbill for 2020, and bringing some of those back; and at some other things that maybe are smaller productions. We're also looking at how to use our facilities. We have an 1,800-seat theatre and an 1,100-seat theatre. We have some space for social distancing.

We're looking at the programming and at how we receive people into our buildings.

The Chair: Thanks, all of you.

We'll go back to Mr. Julian—I believe he's online—and he'll be followed by Mr. Fraser.

Peter, are you back? Do you want to start over?

Mr. Peter Julian: I am back. I hope you can hear me. That was a dramatic exit, Mr. Chair.

The Chair: We've seen you in still frame.

Mr. Peter Julian: I was sucked into the virtual vortex.

My questions are for Mr. Dias.

The first is on the supplementary unemployment benefit. The second is on employment insurance reform, so that folks are not left behind coming out of this and we don't have a second unemployment crisis.

I'd also like you to comment, Mr. Dias, on two things. The first is the courage bonus, the courage wage, that the NDP has been pushing for front-line workers.

There's also the issue of sick leave. Both John Horgan, the Premier of B.C., and Jagmeet Singh have repeatedly raised the fact that many workers in this country do not have access to paid sick leave. Amazon workers and other non-unionized workers have to make that difficult choice between putting food on the table or going to work sick. How important is it for the government to actually take steps to make sure that every worker in Canada has access to paid sick leave?

• (1725)

Mr. Jerry Dias: One of the first things that many provincial governments have done—the Ford government and the Jason Kenney government—was to eliminate a lot of the labour law reforms that were implemented, which included paid sick days. I think they're both probably feeling pretty foolish today for doing that, because there is no question that what we have done by not giving our workers sick leave is that we're forcing them to go to work sick, which is of course making other people sick. I think the pandemic is a perfect example of what happens if in fact we don't have any sort of legislative protection that allows people to take time off when they need to.

The courage pay is something we've been talking about for quite a while. Frankly, I take a look at who the COVID heroes are today, and respectfully, they are a lot of workers who don't get the type of recognition that they deserve. I take a look at our members in the long-term care, retirement and nursing homes and in grocery stores, and at airline workers, truck drivers and transit operators. I can walk through so many workers who make so little. I think about the minimum wage workers in the grocery stores and long-term care facilities, and it's outrageous.

If you look at the crisis in long-term care facilities, you'll see that it has changed significantly ever since they went for a for-profit model. We're finding today, of course, that there are a lot more deaths in long-term care facilities that are for-profit facilities, as opposed to those that are publicly owned.

There is a lot that people should have learned as a result of this pandemic, and it really is about the jobs that are critical and the jobs that are deemed essential. I'm also looking at the manufacturing jobs that don't get the respect they deserve either, because now that we've hit the pandemic, who did the Prime Minister and others rely on to help? It was the GMs, the Fords, the Hiram Walkers, the auto parts companies, and Bombardier in Thunder Bay, because having this manufacturing ability has allowed us to react. It's allowed us to build the personal protective equipment that is needed.

I've already dealt with the SUBPs, Peter. The bottom line is that I don't have a logical answer, but, Wayne, we have now forwarded the letter that we sent to Minister Qualtrough and the finance minister, so you will have that ASAP, if not already.

Ultimately, we need to change how we view working-class people and the contribution that they have proven during this pandemic. Long-term care workers ought not to be shuffled into part-time jobs; that's why they work in two or three different homes. They should be given full-time jobs and given the respect they need. In this pandemic, there would have been a lot fewer lives lost in long-term care facilities and with the health care workers, hopefully, if in fact long-term care workers had been given full-time jobs where they could only work in one home and were given proper wages and benefits. I think our seniors deserve a lot better than we have done.

The Chair: Peter, can you boil a question down to 15 seconds?

Mr. Peter Julian: Yes.

Mr. Sullivan, what is the impact of not providing support to processing workers on the front line?

Mr. Keith Sullivan: Well, right now, like you said, for some of these people it's a decision between their health and their financial welfare. Obviously, going into work when we might have seriously reduced work opportunities and wages.... We're seeing in some places that fisheries may not open whatsoever. We're seeing employers getting supports for PPE and wage subsidies, but then none of it is obviously directly passed on to the workers.

Right now, they're going into an environment where there is no consideration, if they're left short through this season. Where do they end up? What supports are going to be there for those people? I think we have to start answering some of those questions. Obviously, something like an extended CERB or some considerations around EI absolutely have to be dealt with for people who are considered essential to the workforce and who are generally in lower-wage positions.

The Chair: Thank you both.

Mr. Sullivan, on that supplementary, are you basically saying that 2020 doesn't exist for people working in fish plants and seconds on boats, and that you apply the 2019 EI income to this year, and they draw unemployment based on that? Is that what you're saying?

• (1730)

Mr. Keith Sullivan: I think that's one reasonable approach. That is one reasonable way to go, for sure.

The Chair: Thank you.

We'll turn to Mr. Fraser, who will be followed by Mr. Cumming. Sean.

Mr. Sean Fraser: Thank you so much, Chair.

Thank you to all of our witnesses.

In the limited time, I will focus my questions on Dr. Robson.

Thank you so much for being with us today, and, more broadly, for your work to ensure the public has the information they need, in plain language, no less, to access some of the emergency programs that have been rolled out. It's been a terrific resource for my team. Thank you as well for recognizing constituency office workers.

To my staff at home and in Ottawa, you have kept a lot of people fed and housed in the past few months. I want to say thank you for all the work you've done.

One thing that drives me absolutely crazy is the fact that my constituency staff have to do so much case work, when in fact that service should be provided by the public service, or perhaps by some sort of a navigator. Maybe there should be a non-profit-type solution, as you've recommended.

One thing that jumps out at me from the past few weeks when I compare them to the past few years is the simplicity of the design of the CERB in particular. We have a whole group of people who have never had to access social supports before, perhaps because they have a healthy income and don't live in poverty, who have had to click more or less "okay" and receive money in their bank account days later.

Over the past few years, in my constituency office, we have seen thousands upon thousands of people who are living in poverty trying to navigate a complex web of provincial, federal, municipal and community programs and they are scraping by with not quite enough really to live and be healthy, often in rural communities that have no transit.

What lessons can we learn from the simplicity of design or perhaps the policy design of the CERB or other federal programs, perhaps the Canada child tax benefit, that we are going to be able to apply on the back end of this crisis to help eradicate poverty in Canada once and for all?

Prof. Jennifer Robson: Thank you very much for the question and also for the kind words on the little plain language guide that I put together. I'm glad that it's been of help. Thanks again to you, your constituency office, and indeed to all the constituency staff of all the members of the committee. It really is an unsung but incredibly important service that MPs are providing.

As I said in my testimony, I don't think constituency offices can do it alone. I also take your point that the navigation of some of this information should properly be delivered by government officials themselves. The public servants who are actually the subject matter experts ought to be doing a better job. Certainly, we can do some of that, but I think there is also an important issue with regard to public trust. In terms of some of the populations that you just mentioned, where do they turn and where do they feel they can be

served with trust? It's often non-profit organizations that are directly in their community and that offer a range of services. At the end of the day, we're going to need multiple touch points because people enter into programs and have complex lives and they need multiple entry points.

You also raised the issue of the simplicity of CERB. It was made possible only by having a more simple design. The employment insurance system in normal times is used to processing, and capable of processing, approximately five claims per minute. CERB, on the other hand, had to be designed in a way—and successfully was—to be able to process 1,000 claims per minute. We do have these in-built tradeoffs between handling volume and handling tiny nuances and tweaks and changes.

As we go forward, as we think about entering into a transition—and as I said, that transition is happening at different times, according to community, according to sector, and according to gender—to the extent that we can, if we can keep programs as simple as possible, it will make it easier for users to navigate them and makes it more possible for administrators to deliver them quickly and to reach the kinds of volumes that we're going to need to continue to reach for the next several months.

I think that's an important principle. As I said in my remarks, part of reconciling having greater flexibility built into programs and being responsive to individual differences while maintaining simplicity is that we're going to have to continue to trust Canadians, that rather than expecting fraud around every corner... The C.D. Howe Institute just had a paper out today suggesting that perhaps this is the way to reconcile it, to continue to rely on things like attestations rather than waiting for people to jump through multiple hoops before we give them a dollar of help.

The Chair: I'm sorry, Sean.

• (1735)

Mr. Sean Fraser: Mr. Chair, am I out of time?

The Chair: Yes, you are, unless you can do one in 10 seconds.

Mr. Sean Fraser: I'd invite any follow-up that you want to submit to the committee.

Thank you so much for your work. It's greatly appreciated.

The Chair: Thank you very much. And yes, do that, Dr. Robson, if you would like to do so.

We'll turn to Mr. Cumming, followed by Ms. Koutrakis.

James.

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

Thank you to all the witnesses. I can assure the people from the Stratford Festival that I have not been and it is now on my bucket list, for sure.

I'd like to direct my questions to our two friends from MNP, and they can arm-wrestle for who wants to take the question.

The first thing is that I love that you quite often come with practical solutions to a problem that is going to come up and needs to be dealt with. This one is the capital cost for businesses to revamp their businesses once we restart, and that could be through air conditioning or filtration methods; it could be screens. It could be a variety of things.

You've come up with the tax credit concept.

Can you expand a little on that and why you thought that was the right direction?

Ms. Kim Drever (Regional Tax Leader, Edmonton, MNP LLP): One of the reasons we are really keen on the refundable tax credit concept is that we see right now that businesses are very concerned about spending any of their capital. Businesses at this point in time have a finite amount of cash. They're relying on government programs like the CEWS, the different loan programs, those types of things. A lot of these businesses are not just deciding when to open; they're deciding if to open, will they open.

I'm sitting here in Alberta and, like you, we are in phase one of our reopening. There are still a lot of businesses that are eligible to open and they're not. They're not opening because there's a lack of consumer confidence and there's a lack of confidence within the business community. If they go out of pocket to reopen—whether it's doing the infrastructure that's necessary to make sure their teams, their staff, can socially distance and their clients can be safe in their environment—they want to make sure there is some merit in their being open.

A refundable credit would allow people to make improvements, whether it's working on their HVAC systems, their air conditioning, working on installing doors that open automatically. Even in our office here, everyone is afraid to touch the door handles, because no one wants to contaminate another person.

We believe in a measured response like a refundable credit for businesses, and also for homes. There are a lot of families who are looking at bringing their elderly parents into their homes, who are looking at working from home on a go-forward basis.

If we could have some way to kick-start the economy and get construction workers working on some of the retrofits for the businesses, that would be good. We're not talking about things that are prettying up... We're talking about things that would improve the safety and well-being of all Canadians in a manner that gets businesses back up and running.

Mr. James Cumming: I want to turn to another one of your proposals. It's being able to withdraw from an RRSP to have capital available.

We've advocated, particularly for small business, that you could take it out as a loan and put it back into your RRSP when you are able to do so. Some will argue that takes away from savings, but if people need money, they need money.

Can you expand on your proposal there?

Ms. Kim Drever: I don't know if everyone here is familiar with the homebuyers' plan, but that allows you to take money out of your RRSP and you return it over the next 15 years. There's no penalty for taking it out, no tax. We are proposing a concept like that for COVID.

We are seeing that people are taking money out of their RRSPs right now. With regard to the cautions on why we would want to encourage people to withdraw from their RRSPs, doing a program like this would let people access them. They are being viewed right now as a rainy day fund for a lot of people. They're pulling money out and paying tax on it. They will never have that retirement room again in their RRSP, and they're taking out more than they maybe need right now to get to the net number because they have to pay the tax bill.

From those two perspectives, we believe it's very important to allow for an RRSP withdrawal. That RRSP withdrawal could be used to get them through tough times. It could be used to help them pay off some debt or their mortgage payments. It can help them fund some education. It can help them do things as simple as putting a loan into their company so they can continue to pay their workers.

We have the CEWS program. That's fantastic for a lot of businesses, but that CEWS program is really complicated. It has been extended, which we applaud because that's going to be necessary, but I think that in order for business owners and families to be able to maintain economic viability, it's going to be important to access funds wherever they are.

• (1740)

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

That's been done in other instances before, I believe, and I believe it's in your brief.

Ms. Koutrakis will be followed, I think by Mr. Brunelle-Duceppe, but it may be Mr. Ste-Marie. One or the other, in any event, will follow Annie.

Go ahead, Annie.

Ms. Annie Koutrakis: Thank you, Mr. Chair.

Thank you to all the witnesses for your presentations this afternoon.

Mr. Chair, I will be splitting my time with my colleague Julie Dzerowicz.

The Chair: We'll have time to get her on, Annie. Take the whole time.

Ms. Annie Koutrakis: Okay. Great.

My first question is for Mr. Cloutier and/or Mr. Wouters.

On top of over a billion dollars in support for the national medical research strategy in our fight against COVID-19, the federal government recently announced \$450 million in funding to support Canada's research community. Can you please comment on the ways that the funding will support your organization, that is to say, how it will be used and allocated?

Dr. Bradly Wouters (Executive Vice-President for Science and Research, University Health Network, and Representative, HealthCareCAN): I'm happy to address that. If Paul-Émile wants to add anything else, he can certainly do so.

Our hospital research institute at UHN will be one of the recipients of those funds. The \$450 million from the federal government that was announced last Friday is there to support the wages of our staff who have been impacted by COVID-19. Like many businesses across Canada, non-COVID-related research was largely suspended across the world.

At our institution, over 80% of our research was suspended to prepare for COVID-19 and to change the way that we deliver care in the hospital. This led to an immediate loss of revenue for us from all of the external sponsors of our research, the pharmaceutical companies and biotech companies that fund clinical trials. At our institute alone, that clinical trial revenue supported over 700 jobs.

We were very close to having over 1,500 job layoffs in research at UHN. This was largely due to the fact that we were ineligible for the wage subsidy program that was created by the federal government for this purpose, largely due to a technicality. That technicality is that we're part of a public hospital that is ineligible for the funding, despite the fact that none of our funding for research comes from the provincial government or the Ministry of Health. We're not allowed to use any of those funds for research.

We were kind of stuck, and the only options available to us were to lay off staff so that they could collect the emergency response benefit, the funds that were talked about here, but this funding that has come in really at the last moment for us is going to allow us to preserve those jobs, to prepare for the restart of research and also to support the critical COVID-related research that is still occurring and is very active at our institution and at many others like ours across the country.

Ms. Annie Koutrakis: With the recent changes, then, that takes care of that gap. Would you agree?

Dr. Bradly Wouters: The funds that were announced are there to support the wages of the individuals who are paid from those kinds of external funds. We don't have a lot of details yet on how that will be administered or the rules of eligibility and so on. We're anxiously awaiting those. Our understanding is that it's meant to support retroactively back to the initial time of the suspension, so this will go a long way to helping to preserve those jobs and to ensure that our amazing scientific workforce across Canada can come back and remain at a world-class level.

• (1745)

Ms. Annie Koutrakis: Thank you for that.

Mr. Chair, do I have time for one more question?

The Chair: No. You have a little time left, but we'll go to Alexis.

Mr. Brunelle-Duceppe, we'll give you two and a half minutes, and the same for Peter.

[*Translation*]

Mr. Alexis Brunelle-Duceppe (Lac-Saint-Jean, BQ): Thank you, Mr. Chair.

I thank all the witnesses for their statements. They were really interesting.

My first question is for Mr. Crawley.

I listened closely to and appreciated your statement because in my own riding, some people own weekly newspapers. Most of their income comes from advertising. As we know, advertising has dropped by 80% to 90% for most weeklies.

Would it not be quicker and easier to increase the number of ads purchased in weekly newspapers, major dailies and local radio stations?

The federal government should do it quickly because we feel it has failed these people compared to the provincial governments. What do you think?

[*English*]

The Chair: Your mike is on mute, Mr. Crawley. You just have to push the right button.

On the bottom of your Zoom screen, on the left-hand side, there should be a little mike.

There you go.

Mr. Phillip Crawley: Yes. I'm sorry.

Was I supposed to get a translation of that? I didn't get it.

The Chair: It didn't come through in English?

Mr. Phillip Crawley: No.

The Chair: It came through in English on mine. It should have come through in English to you.

Do you want to ask that question again, Alexis?

[*Translation*]

Mr. Alexis Brunelle-Duceppe: With pleasure, Mr. Chair.

Can you hear me now in French? Can you hear me in English? Is it working on your end, Mr. Crawley?

[*English*]

Mr. Phillip Crawley: I'm not hearing it in English, no.

The Chair: It's not coming through.

Mr. Eric Melillo: Is he on the English channel, Mr. Chair?

The Chair: Are you on the English channel, Mr. Crawley?

Mr. Phillip Crawley: Yes, I probably am. I'll go to French.

The Chair: No, if you have it in English, it should come through to you.

Alexis, are you on the French channel?

[*Translation*]

Mr. Alexis Brunelle-Duceppe: Yes, Mr. Chair.

In fact, I think that if you heard me and all the other people, it means that I am on the French channel and that everything is normal. It's just on Mr. Crawley's side.

[*English*]

The Chair: I can hear you.

Mr. Phillip Crawley: I'm supposed to be on the channel, but I'm not. I'm sorry.

The Chair: Mr. Crawley, you should be on the English channel on your system. It'll come through.

Mr. Phillip Crawley: Okay.

The Chair: Try it again, Alexis. See what happens.

[*Translation*]

Mr. Alexis Brunelle-Duceppe: Yes, Mr. Chair.

Can you hear me in the language in which you wish to hear me, Mr. Crawley? Yes? Good.

I guess we lost a little time. So I'm going to ask my question again pretty quickly.

In my riding, there are a lot of weekly newspaper owners. Most of their income comes from advertising. Right now they are losing about 90% of their revenue, if not more. The federal government put in place a \$30-million advertising placement program for all of Canada, whereas in the provinces, for example in Quebec, there is another \$30-million plan for Quebec alone.

We hear that information is essential. Wouldn't it be simpler and faster to enhance this program expeditiously and buy a lot of advertising quickly so as to benefit major dailies like yours, weeklies in all the small counties, and local radio stations?

I'd like to hear what you have to say about that, Mr. Crawley.

[*English*]

Mr. Phillip Crawley: The truth is that with regard to the \$30 million that was promised to be spent in Canada, I spoke to the heritage minister, and he assured me that 90% of that money would be spent with Canadian publishers and broadcasters, so I'm assuming that a lot of it has gone to TV and radio rather than to print.

To try to make it easier for the federal government to reach a Canadian audience, the publishers have created a consortium. We've built a platform that is now available to the federal government to use to make it as easy as it is to book with Google and Facebook, who are obviously the dominant players. That was done over just the last few weeks. It enables the government to have a neutral platform. It's a Montreal-based company called "district m",

which makes it a neutral platform that the government can use to reach whichever demographics or whichever audience it wants to reach, whether it's community, dailies or whatever.

It was a lot of work to get that done. We'd now like to see the federal government actually test that out. There's an announcement coming out on that in the next few days. We really hope it will help to channel some of that money into places like the Quebec weeklies, which, as you say, obviously need it, because they don't have the kind of subscription revenues that a newspaper like The Globe and Mail has.

• (1750)

[*Translation*]

Mr. Alexis Brunelle-Duceppe: Thank you very much.

[*English*]

The Chair: Thanks to you both.

Mr. Crawley, are you still there?

Mr. Phillip Crawley: Yes.

The Chair: You said in your remarks there's an inherent unfairness in the publishing area, I guess, in advertising with regard to global platforms. Basically, I think you were saying that global platforms are not paying their fair share.

What are you proposing there?

Mr. Phillip Crawley: When you look at what's happening around the world, various countries are trying to put pressure on Google and Facebook to deal more fairly. In Australia, they're trying to do it through compelling the platforms to come to the table for a conversation about sharing some of the advertising revenue. In France, it's more about copyright.

My preference is for the Government of Canada to use its good offices to bring the parties together. If it has to be done legally, it's going to take a long time. This is an urgent situation. We need, I think, the convening power of the government to say, "Come on, let's sit down and work this out, and let's come to some kind of agreement."

Australia tried that. The platforms weren't really as responsive as the government would like, so they've now put some strictures on Google and Facebook to say, "Okay, there's a time limit on this, and we want you to come to an agreement with the Australian publishers."

There are options to do this, which shouldn't take years. Copyright changes are inevitably slow and complicated. It's very important—I'm not saying don't do it—but it's not going to help in the short term.

The Chair: Thank you for that.

We're turning to Mr. Julian. Then we'll go to Mr. Poilievre and Ms. Dzerowicz.

You have a couple of minutes and a half, Peter.

Mr. Peter Julian: Thanks, Mr. Chair.

Mr. Dias, I'm really impressed to have you here because you represent workers in so many different industries across the country. There are two sectors I'd like to ask you about.

The first is about the importance of providing support for our public transit systems across the country and for public transit workers. The federal government has not provided those supports to date. There's a lot of money going to the banking sector and companies that use overseas tax havens. There doesn't seem to be the same intention provided to transit workers.

Secondly, for media workers, Mr. Crawley has raised the issue of the lack of a level playing field. I think most Canadians would be stunned to know that these web giants largely don't pay income taxes and don't provide any supports into Canada. They're sucking out a lot of the resources of the country and not making investments in this country. It has certainly devastated the media landscape in my riding of New Westminster—Burnaby and right across the country.

What are the things that the government should be doing, both in terms of media workers and in terms of transit workers and supporting public transit?

Mr. Jerry Dias: Those are great questions.

First of all, let me deal with transit. There are mass layoffs announced in some of the major cities in Canada as a result of COVID-19. As a result of COVID-19, the buses are not fully utilized, obviously, because of social distancing, revenue has dropped dramatically and, in many circumstances, no fares at all are being collected.

What bus drivers are saying, if you can imagine, is that they are driving by bus stops at which there are essential workers who are frequently wearing personal protective equipment and hospital garb.

The simple reality is that the number of riders has dropped, the revenue has dropped significantly and now they've announced layoffs.

You can't say on the one hand that we need essential workers—and transit workers are essential—and then announce major, major layoffs, including right here in the city of Toronto. We can't say they're essential workers and then they get laid off.

The other side of the argument, Peter, is that 75% of all PSWs—all the workers who work in long-term care facilities—take public transit. About 75% to 80% of workers in grocery stores take public transit. At a time when we most need public transit, there are going to be massive layoffs, so the government clearly, clearly needs to step up.

For a perfect example, the transit industry is not eligible for wage subsidies. In fact, if the transit system would at least be eligible for the wage subsidy, that would go a long way in offsetting some of the significant costs.

Phillip laid out the whole issue with the media. Simply put, about 250 local newspapers have closed in the last 10 years. Just in the last few weeks, the National Post announced some major closures

in Manitoba. The issue is clearly Google and Facebook. They have had a free ride for years.

Phillip is right. Australia got tough, France got tough and the U.K. is getting tough. Other countries around the world are saying, okay, enough of this. It's got to the point, frankly, where Google and Facebook will steal the information that is paid for and written by The Globe and Mail, The Star or the National Post. They take what is written by other newspapers—conventional media—and they post it but don't pay anything for it. If Google and Facebook lived by the same rules as Phillip Crawley and The Globe and Mail, we'd have a different situation.

They don't pay taxes. They get a complete free ride. There has to be something wrong with the system when we know there's going to be a wholesale wiping out of the industry if we don't do something. You can't have a thriving democracy, which we're very proud of here in Canada, if you don't have a strong media. There's a lot that has to be done.

• (1755)

The Chair: I believe I'm hearing you say, Jerry, that Canada needs to get tough.

I don't see Mr. Poilievre, so we'll go to Ms. Dzerowicz

James, if you want to ask a question, we'll come back to you.

Ms. Dzerowicz, we'll go with you for four minutes.

Ms. Julie Dzerowicz: Thank you so much.

I just want to say thanks to all the amazing presenters. It's nice to see some friendly faces that I haven't seen in awhile. Hi, Carol.

I'm going to start with Mr. Crawley. I'll start with where Mr. Diaz ended. I absolutely also fundamentally believe that you cannot have a strong democracy in Canada without having strong, independent Canadian journalism. You've mentioned "district m", and that's something our government should look at. We might not have enough time now, but I would really love to hear a little bit more from you in terms of what more immediate support our government can be providing to Canadian media today. I'm not just thinking about amazing publications like the Globe. I'm also thinking about local publications, and even ethnic media.

The second one is that, when we're looking at a model moving forward, there are a lot of different things happening in the world, from taxing, to having to pay for access to Canadian journalism, to actually providing a share of ad revenues. There are different models we could look at, or a combination of models. If you have some ideas of what we should be looking at, I'd be very grateful to hear from you.

I also want to have a minute and a half left for a question to Ms. Robson.

Mr. Phillip Crawley: I will give you a quick example for trying to save newspapers. Jerry just listed how many have closed in the last few years. All newspapers have significant printing costs. We print most of our papers with Transcontinental from Montreal, which has major printing plants across the country. Everybody has printing costs. I sign a bill every week for about a million dollars for printing. If the government were to step in and say we're going to help with your printing costs, every newspaper in the country could benefit from defraying some of its printing costs.

The other example I quoted is The Canadian Press. Everybody buys content from The Canadian Press, for news, sports, features, pictures, video. If you were to say, okay, we'll pay a portion of your dues that are owed to The Canadian Press, because typically in a situation like this people stop paying their bills.... People aren't paying rent. That's the risk for The Canadian Press. They will find that people are refusing to pay, even though they've got a contract to do so. Again, a lot of people, whether in radio, TV or newspapers, buy from The Canadian Press.

• (1800)

Ms. Julie Dzerowicz: Sorry to cut you off, Mr. Crawley, because your ideas are important. I really do encourage you to submit them to the committee. I'd like to make sure that we are considering them.

Mr. Phillip Crawley: I will. Thank you.

Ms. Julie Dzerowicz: My last minute and a bit is to Ms. Robson.

Ms. Robson, I follow a lot of what you write very carefully, because I'm also very interested in dealing with income inequality in our country. We're learning a lot through this pandemic. We're learning about gaps in our social welfare system, gaps in supporting Canadian workers. Our Prime Minister talks about "building back better", and I think he wants to build back better around income inequality. What data do you think we need to be gathering now that will help us to make good public policy decisions moving forward, and to build a better system to address income inequality?

Prof. Jennifer Robson: I'll try to keep my response very concise.

I would say there are a couple of points on data.

Number one, it would be fantastic if we could get much better and more timely data, and disaggregated data, on how the programs that have been rolled out are working. That will allow us to actually do faster learning. There's that piece to it.

I would also say that there are two really important blind spots that we have in Canada, or at least spots that are not sufficiently covered in terms of our current data sources. One, I would say, is more frequent data on household assets and debts. I'm delighted that we now finally have a triennial survey on that, but perhaps more frequent data on that and longitudinal data, so that we can actually see how people move in and out of things like asset poverty and how debt evolves within a household over time.

The other blind spot I would say is "within year" income information. We have quite good administrative records that show us the transitions in and out of poverty and how inequality changes year over year, but I think that this crisis has told us that people's situa-

tions can change rapidly and within the year. To be able to "build back better", I think that this really does have to mean coming to grips with the volatility that also can take place in people's incomes within the year as well.

Ms. Julie Dzerowicz: Thank you, Mr. Chair.

The Chair: Mr. Cumming, the final question is for you if you want it.

Mr. James Cumming: Sure. I'll go to Ms. Gaffney or Ms. Stephenson from the Stratford Festival. It's a fantastic festival and great for Canada. We have events like that across the country that communities depend upon. I know that in Alberta we have many that are important, and which we often talk about.

How important do you think it is for there to be an actual program that deals with that sector—events, hospitality—a very specific program able to support those important events?

Ms. Anita Gaffney: Great. Thank you.

There was a \$500 million fund announced last week. I think it really speaks to the value of Canadians caring for the social and economic fabric of the country. Festivals and major events—and I know that FAME presented to this committee last week or earlier this month—drive the economy across the country, from the Calgary Stampede to the Charlottetown Festival and other major festivals and events. In a place like Stratford, we operate six months of the year. We're driving tourism for six months. You have festivals that are running on weekends or for weeks at a time. They drive the tourism economy.

I think it would be a huge benefit to have a fund that specifically focuses on how those tourism events can be a part of building back the economy and drawing domestic and international visitors.

The Chair: Okay. We will have to end it there. Usually we can go a little overtime, but we do have another panel with the Office of the Superintendent of Financial Institutions shortly.

On behalf of the committee, I do sincerely want to thank you all for making presentations in what, I know, is a bit of a rushed atmosphere today, with this many panellists. I do believe a lot of valuable information and points came out. Those will certainly go up the line. Hopefully, at the end of the day, we'll be out of this pandemic and all of these points will assist us in getting there.

On behalf of the committee, thank you again to all the witnesses. We will suspend for two minutes while the clerk lines up the next panel. The meeting is suspended.

• (1805) _____ (Pause) _____

• (1809)

The Chair: I call the meeting back to order. Welcome, witnesses, to meeting number 30, panel number three today, of the House of Commons Standing Committee on Finance. As everyone knows very well by now, we're operating pursuant to the order of reference of Tuesday, March 24, and are meeting on the government's response to the COVID-19 pandemic.

We're pleased at this session today to have, from the Office of the Superintendent of Financial Institutions, Jerry Rudin, superintendent of financial institutions, and Ben Gully, assistant superintendent, regulation sector.

I'll turn the floor over to you, Mr. Rudin. Then we'll go to a round of questions.

Just as a heads-up for committee members, we'll start with Mr. Poilievre and then go to Mr. Fragiskatos, Mr. Ste-Marie, and Mr. Julian.

The floor is yours, Mr. Rudin. Welcome.

• (1810)

Mr. Jeremy Rudin (Superintendent of Financial Institutions, Office of the Superintendent of Financial Institutions): Thank you very much, and thank you for inviting me to appear today.

As you mentioned, I am joined by my colleague, Ben Gully, the assistant superintendent of the regulation sector at the Office of the Superintendent of Financial Institutions, or OSFI, as it's usually called.

OSFI is Canada's prudential regulator and supervisor. We promote financial stability by keeping a close eye on the solvency, liquidity, safety and soundness of federally regulated financial entities. Our core functions are regulation, which is setting rules and guidelines, and supervision, which is assessing adherence to these rules and making sure institutions close the gaps that we identify. We regulate and supervise about 400 financial institutions, mainly banks, insurance and trust companies, and over 1,200 private pension plans.

[*Translation*]

OSFI works closely with its federal counterparts, namely the Department of Finance, the Bank of Canada, the Canada Deposit Insurance Corporation, the Financial Consumer Agency of Canada, the Canada Mortgage and Housing Corporation, and its provincial counterparts.

It also exchanges information with the international bodies to which it belongs, such as the Financial Stability Board, the Basel Committee on Banking Supervision and the International Association of Insurance Supervisors.

[*English*]

I do not need to tell you that these are extraordinary times. COVID-19 has caused many tragedies and great disruption, as well as forcing us all to change how we live and work.

In these unprecedented times, Canadians can have confidence in our financial system because it is resilient and well prepared. Our role has always been to think about how to prepare for and how to respond to severe scenarios, whether they affect a single financial institution or the entire financial system.

While much of what is happening now is clearly extraordinary, many of the challenges facing the financial system are elements that OSFI has been preparing for for some time.

In particular, OSFI strengthened its regulation and supervision of financial institutions in the decade that followed the global financial crisis, even though the Canadian financial system had performed well during that period. This included new requirements in areas such as capital adequacy, which is the capacity to absorb significant losses and continue to function; liquidity adequacy, which is the ability to make good on cash outflows as they come due even in stressful financial market conditions; and operational resilience, the ability to function even during a serious disruption.

Not only did OSFI raise minimum capital and liquidity standards, it further required banks and insurers to exceed those standards under normal conditions, thereby building robust buffers for use when necessary.

One of OSFI's most important tools in the current situation is setting capital levels. You may wish to think of capital as a form of self-insurance which provides both a buffer against unforeseen losses and an incentive to manage risk-taking. Strong capital levels allow a financial institution to operate normally even if it experiences losses.

Part of our capital regime is the domestic stability buffer, which requires Canada's biggest banks to set aside additional capital during good times and then allows them to draw it down at a time like this. This positions banks to continue to support the economy during an economic downturn even though they face the prospect of losses on some of their loans.

We reduced the domestic stability buffer by 1.25 percentage points on March 13, which increased the lending capacity of Canada's largest banks by over \$300 billion. OSFI will continue to monitor the economic situation and, if conditions warrant, is prepared to release the remaining 1.0 percentage points of the buffer.

As part of that mid-March announcement, OSFI instructed banks to not undertake dividend increases and share buybacks so that the additional capital will be used as intended.

In early April, I issued a further statement on bank capital and dividends to contribute to a broader understanding of the capital regime in Canada and the resilience that is already baked into the system before further actions are required.

• (1815)

[*Translation*]

While the actions we take in anticipation of an economic downturn are important, we must also respond to the downturn by adapting our supervision of financial institutions and pension plans and by adjusting our guidance and regulatory requirements as circumstances warrant.

[*English*]

Since the start of the pandemic, OSFI has been closely monitoring the financial condition of banks and insurers, reviewing their responses and maintaining ongoing communication with them.

My colleague, Mr. Gully, will describe the regulatory measures that we have taken recently.

Just before I call on Mr. Gully, let me reiterate that Canadians can be confident that OSFI is acting to meet its mandate of protecting depositors, policyholders, creditors and pension plan beneficiaries in these extraordinary times.

I will stop here so my colleague can deliver his remarks, and then we will be pleased to respond to your questions.

The Chair: Mr. Gully, go ahead.

Mr. Ben Gully (Assistant Superintendent, Regulation Sector, Office of the Superintendent of Financial Institutions): Good evening.

As the superintendent mentioned, one of OSFI's roles is to be prepared for threats to the financial system. Our guidance and expectations for financial institutions and private pension plans under our jurisdiction are aimed at supporting resilience.

OSFI's sustained efforts to review and develop guidelines have resulted in an effective supervisory and regulatory regime that protects depositors, policyholders, creditors, and private pension plan beneficiaries while allowing institutions to take reasonable risks and compete. Extraordinary times have required OSFI to ensure, more than ever, that our guidance is credible, consistent, necessary and fit for purpose in the Canadian context.

OSFI's first COVID-19-related regulatory announcement was on March 13, with the Minister of Finance and the Governor of the Bank of Canada. In that announcement, we suspended our planned policy consultations and provided some measured regulatory flexibility on capital and liquidity requirements. We have been in frequent contact with institutions and with our regulatory partners to refocus efforts on the issues at hand.

As the superintendent mentioned, we continue to work with domestic and international partners. Domestic co-operation and collaboration is important, given the independent mandates of each organization and the various measures taken by other parts of government. International co-operation benefits us, as we can learn from actions taken by our peers, share valuable lessons and make decisions that reflect the international context, with the focus on re-

silience of Canadian institutions. These frequent touchpoints and our ongoing supervisory work with institutions have resulted in a series of announcements and letters to the industry sectors we oversee. These have all been made available on our website. Further, we have offered technical briefings for analysts, industry and pension plan administrators to share information and provide clarity on our expectations.

From these briefings and through communication with industry, we have developed questions and answers on recent COVID-19-related regulatory measures and put them on our website. These are updated regularly as conditions change, and when OSFI takes action. This promotes a consistent understanding of OSFI's expectations across market participants and limits speculation that can occur in the absence of clear information.

While areas of uncertainty remain in how the pandemic will affect financial institutions, the Canadian economy and the daily lives of Canadians, Canadians can have confidence that OSFI is working hard to continue meeting its mandate. OSFI will continue to consider potential regulatory changes during this exceptional period and will make sure that any further adjustments are credible, consistent, necessary and fit for purpose. We will continue to publicly communicate our expectations of institutions and are happy to answer questions that you may have.

Thank you.

• (1820)

The Chair: Thank you both for your presentations.

We will start with Mr. Poilievre.

Pierre, the floor is yours.

We're only going to be able to go the two rounds, given the time. We have a pretty hard stop at 8. We'll have six minutes the first round, five minutes the second.

Mr. Poilievre is to start, followed by Mr. Fragiskatos.

Go ahead.

Hon. Pierre Poilievre (Carleton, CPC): Superintendent Rudin, you have lowered the domestic stability buffer by \$300 billion. How much of that \$300 billion have our banks used since that announcement?

The Chair: Your mute is on, I believe.

Mr. Jeremy Rudin: Yes, I think I've solved that little problem.

Mr. Chair, just to clarify, we reduced the domestic stability buffer by 1.25 percentage points of risk-weighted assets. That creates room for Canadian banks to do as much, if not more than, \$300 billion in additional lending.

Hon. Pierre Poilievre: Right, that's what I was saying. How much of that have they used?

Mr. Jeremy Rudin: The banks will be reporting their financial results for the first quarter in a couple of weeks, and we will all see the state of their balance sheets at that point.

When we reduced the domestic stability buffer, Canadian bank capital levels were already above the required level for the buffer. We'll see whether, in the first instance, the banks have dropped into the space that has been provided, or not.

Hon. Pierre Poilievre: All right. We'll look forward to those reports then.

The banks have to keep a certain amount of capital. That's a degree of liquidity that allows them to deal with shocks like the one we have before us. Are they allowed to use Canadian mortgage bonds to count as part of the buffer?

Mr. Jeremy Rudin: Okay, we'll want to think of capital and liquidity as being closely related, but nonetheless as being regulated differently. Capital is the loss-absorbing capacity of banks. It's not—

Hon. Pierre Poilievre: Sorry, but we don't have a lot of time. Do they—

The Chair: That's okay, Pierre, we'll find the time. We need thorough answers on this because it is hard to understand.

Go ahead, Mr. Rudin.

Mr. Jeremy Rudin: Capital isn't held in a particular form. Liquidity, which is the ability to meet cash draws as they come up, needs to be held in a particular form in what's called high-quality liquid assets. Government-guaranteed securities are considered high-quality liquid assets, and therefore the CMB would be part of that.

Hon. Pierre Poilievre: Do you think there is a possible distortion in the system? Canada mortgage bonds are effectively mortgages that banks have lent out and that are then securitized through the government, backed up by the taxpayer. The banks then buy them back, and you put them back on their balance sheet, this time as high-quality liquid assets that now apply to their buffer.

Do you think this can create a bit of a distortion in the system when an asset that is not originally considered a high-quality liquid asset is sent off to the government, gets stamped with a guarantee, and is sent right back and is now all of a sudden a high-quality liquid asset?

Mr. Jeremy Rudin: Certainly the eligibility of the Canada mortgage bond as a high-quality liquid asset makes it a more attractive thing for banks to hold. That said, if Canada mortgage bonds or other government-guaranteed securities were not considered high-quality liquid assets, banks would have to hold other types of high-quality liquid assets, which might be government debt, so it's not obvious that one is better than the other.

Hon. Pierre Poilievre: All right.

I've always been concerned about the system that we have whereby banks get the profit from a mortgage and taxpayers get the risk. Once it is CMHC-insured, or securitized, then all of the risk goes to the taxpayer and all of the profit goes to the bank. I've always believed, as a supporter of the free market, that risk and reward should go together. Profit and loss should be joined, so the same person who can profit on the upside is the one who takes the hit on the downside.

Do you think our system breaks that natural relationship and gives the bank access to risk-free profit?

• (1825)

Mr. Jeremy Rudin: Mr. Chair, the mortgage insurance requirement is a long-standing feature of the Canadian system. We do require, as a matter of law, as established obviously by Parliament, that mortgages that have a down payment of 20% or less must be insured against default. That insurance can come from CMHC, a crown corporation. It can also come from private corporations.

This is a measure that does contribute to financial stability in Canada because it diversifies some of the risk away from the banking system and into the insurance system, and also, as the member pointed out, to some extent, to the government.

The Chair: Go ahead, Pierre. We have time.

Hon. Pierre Poilievre: Okay.

I don't think you answered my question. Banks can externalize their risk by putting that risk onto the taxpayer. They get all the profit. We get all the losses. I wanted to know if that could lead to certain distortions in the marketplace and, if so, what we would do to mitigate those distortions.

Mr. Jeremy Rudin: One thing I would add is that some of the profit from these mortgage transactions is earned by the mortgage insurers, because a premium is paid and they have to hold capital against that. In the case of an insured mortgage, the capital is held principally not by the lender but by the insurer. These sorts of risk transfers are common in the financial system.

All I can say from my own experience is that prior to the global financial crisis, there were some concerns about this approach, which is, if not uniquely Canadian, nearly uniquely Canadian, but a lot of observers felt that it was helpful to Canada in navigating through the global financial crisis.

The Chair: I had taken a little time from you, Pierre, so if you want another question, go ahead.

Hon. Pierre Poilievre: Thank you so much, Chair.

My final question is this. We now know from CMHC that 12% of Canadians are deferring their mortgages. That could rise to 20% by the fall. That's an extraordinary level of delinquency. I want to know, is our financial system secure right now?

Mr. Jeremy Rudin: As I said in my opening remarks, Canadians can have confidence in our financial system, because despite the extraordinary circumstances, it's a very resilient system and it's very well prepared.

There is no question that the mortgage market will have some difficulties. It's too soon to say that all of these deferrals will turn into delinquencies. There are certainly people who have asked for deferrals who will be able to be current...but certainly there will be some who do not. This is why we require the mortgage insurers and the banks to have very strong capital levels, so that they are able to withstand significant losses, continue to operate normally and continue to provide financial services to Canadians.

The Chair: Thanks very much to you both.

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

Peter.

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

Thank you, Mr. Rudin and Mr. Gully, for appearing today.

There's always a concern, or not even a concern, but more of an observation that our federal institutions, because of the very specific and very technical work they do, can sometimes be distant from the citizens they're ultimately working on behalf of.

Now, you've been good enough today, as representatives of OSFI, to come to present to the committee. It's a very valuable thing to have you here. On behalf of constituents—although they are probably not watching, let's be honest—I think this question has to be put: Can you tell us in layman's terms about some of the very basic things that OSFI has been working on?

For example, the domestic stability buffer has been lowered. Naturally, that's an important thing to discuss, but I can tell you that 99.9% of my constituents will have questions about what the domestic stability buffer is in the first place. Let's go back to first principles: Why is the lowering important, but to begin with, what is the domestic stability buffer?

• (1830)

Mr. Jeremy Rudin: Mr. Chair, in a moment I will call on my colleague to provide additional detail.

I think at a high level, what's important to keep in mind is that the banks need to have the capacity to absorb losses that will arise in difficult periods like the one we seem to be entering. For that they need to have high capital levels for loss-absorbing capacity. We've created a system in Canada where we build up that loss-absorbing capacity in good times by raising the domestic stability buffer so that we can lower it at times like these, and banks will be able to continue to provide financial services to Canadians.

Mr. Peter Fragiskatos: Thanks very much.

Are our banks stable—

The Chair: I believe Mr. Gully was going to come in there as well, Peter.

Were you, Mr. Gully? Go ahead.

Mr. Ben Gully: Thank you, Mr. Chair.

Just to build on that, the domestic stability buffer was built up as a war chest in good times for use in more difficult times, such as the ones we see. The lesson from history has been that without those reserves in place, banks can tighten and restrict lending, which can exacerbate a downturn and the damage to the economy. That war chest is there, and hence the buffer to absorb some of those shocks.

There's one other example that may be useful. On loan deferrals that are being offered by banks, we have made it clear that they should not be treated as past due or delinquent. What that means is that on the amount of capital that banks have to hold against those loans, the increase is limited. Those increases are not happening. Again, it's preserving capital for broader lending and continued economic activity.

Mr. Peter Fragiskatos: No, thank you very much. Again, it's all an attempt to put forward questions that will ultimately be heard by constituents. In going back to first principles, I think you've explained it very well.

Perhaps I could also follow that up, and I know you touched on this in your presentation and some of the questions with Mr. Poilievre. Our banks are stable. They're not facing challenges when it comes to lending capacity. You do not foresee that happening in the future.

Mr. Jeremy Rudin: Mr. Chair, as I mentioned in my opening remarks, the entire financial system is resilient and well prepared for where we are.

Is our system facing challenges? Clearly it's facing challenges. Financial institutions, much like our own organization, were obliged to move many people to a work-from-home situation in order to protect the health and safety of their employees. They had a lot of technological capacity they could draw on, but I won't say they weren't challenged. They were certainly challenged by the volumes at call centres as they moved their call centre employees to home as well.

In terms of lending capacity, this is very much restricted or regulated by the capital requirement. Having raised the capital requirement for our major banks in good times, and being in a position, then, to lower it significantly, lending capacity should not be an issue.

Mr. Peter Fragiskatos: Naturally, there are going to be questions when we have an economic crisis along the lines that we are currently experiencing. There will be questions about the stability of the overall banking system, but putting it on the record that our system is very stable and will remain so into the future, I think, can only add to confidence.

I wanted to ask you also about how this current situation differs from 2008, and specifically what that has meant for OSFI's response, compared to what we saw in 2008.

Mr. Jeremy Rudin: Mr. Chair, there are some very important differences between this situation and the global financial crisis that began in 2008. For one thing, the global financial crisis was a shock that originated within the financial system, although not the Canadian financial system but the global one. This made it difficult for the financial system as a whole to continue to operate and support the economy.

We learned a lot of lessons from the global financial crisis. As I said in my opening remarks, even though the Canadian financial system did very well in the global financial crisis, we very much strengthened the capital liquidity and risk management requirements that we impose on our banks so that we'd be better prepared for this shock, which is one that has come from outside the financial system rather than inside.

It's always our responsibility, given to us by Parliament, to look out for the interests of the depositors, the policyholders, other creditors to the banks and insurers. We are keenly aware of the need to learn the lessons of history, and that has helped us much better prepare the system.

The other thing that I think is very important in this regard is the work that other federal agencies have been doing to support the system. One lesson that we learned from the global financial crisis was the importance of the central bank to be able to provide liquidity to the banking system when there's a disruption of this type. The response of the Bank of Canada has been exemplary and very important in getting us through the first acute phase of this crisis, and draws very much on the lessons that we all learned in 2008.

• (1835)

The Chair: Okay. Thank you for that.

Go ahead, Alexis.

[*Translation*]

Mr. Alexis Brunelle-Duceppe: Thank you, Mr. Chair.

Good evening, gentlemen. Thank you for being here.

I may take you where you didn't expect to go, but I'm sure we can clarify a few things together.

First, can you tell us briefly if, in general, credit cards are regulated in Canada and, essentially, how are they regulated?

Mr. Jeremy Rudin: There are two aspects to the regulation of credit cards, perhaps even three, but certainly at least two.

Mr. Alexis Brunelle-Duceppe: Could you speak to that briefly, for the committee's information?

Mr. Jeremy Rudin: OSFI monitors the risk management practices of all portfolios, including credit cards. There are regulations in the act that governs the relationships between banks and credit-card holders. They do not cover all aspects, but they do contain disclosure provisions.

Mr. Alexis Brunelle-Duceppe: I see.

Can you tell me as clearly as possible who gets the interest money when a consumer doesn't pay his or her card balance? Does it go to the credit card issuers and the banks?

Mr. Jeremy Rudin: I'm not sure I understood the question.

Mr. Alexis Brunelle-Duceppe: When the balance is not paid, does the interest accrue to the banks and credit card issuers?

Mr. Jeremy Rudin: Yes.

Mr. Alexis Brunelle-Duceppe: All right. Basically, Visa and MasterCard finance themselves with the unpaid balances.

Globally, 60% and 26% of transactions are made through Visa and MasterCard respectively. Do you know what the percentages are in Canada?

Mr. Jeremy Rudin: Unfortunately, I don't have those figures.

Mr. Alexis Brunelle-Duceppe: They are probably quite similar.

What I want to emphasize is that this is almost a monopoly. Many merchants have called me about interchange fees. I don't know if you know what those fees are. Right now, I don't think they're regulated. These merchants today pay 2% to 3% interchange fees. You may have different numbers. In Europe and Australia, it's 0.3%.

Do you think that would be a good way to—

[*English*]

The Chair: Alexis and Mr. Rudin, some of this area is really the government's decision to make.

I don't want to put Mr. Rudin in a spot of having to.... He has to abide by what the established government policy is. I think your question related to exchange rates is more for the finance minister's perspective rather than Mr. Rudin's.

Mr. Rudin, if you want to add anything to that, go ahead.

[*Translation*]

Mr. Jeremy Rudin: Thank you Mr. Chair.

I think you understand the situation well.

[*English*]

The Chair: Alexis, go ahead.

Alexis, did we lose you?

• (1840)

[*Translation*]

Mr. Alexis Brunelle-Duceppe: I had lost my connection, but I'm back online.

I wanted the superintendent's opinion on interchange fees. Is that possible, Mr. Chair? If he can regulate them...

Can you hear me well?

Mr. Jeremy Rudin: Yes, I heard the question well.

We have no power to regulate interchange fees. That is a power Parliament has not given us.

Mr. Alexis Brunelle-Duceppe: So you're telling me that if we ever want to help our small businesses instead of the big credit card issuers, the government should introduce legislation to regulate interchange fees.

[English]

The Chair: Alexis, that really is a question that needs to be... The next time we have the minister here, you know the question that you have to ask. It's unfair to ask it to Mr. Rudin.

[Translation]

Mr. Alexis Brunelle-Duceppe: Thank you.

[English]

The Chair: You have one more question, Alexis.

[Translation]

Mr. Alexis Brunelle-Duceppe: I have no further questions, Mr. Chair. You may redistribute the rest of the time as you see fit.

[English]

The Chair: That's great, Alexis. We can use the time.

Thank you very much.

We'll now go to Mr. Julian.

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

Thank you, Mr. Rudin and Mr. Gully, for being here today. We hope that you and your families are safe and healthy.

I want to get a handle on the amounts of supports that are being provided to the banking sector, both through regulatory relaxation, as you mentioned, with the domestic stability buffer, and also in terms of support measures. We heard earlier this week from CMHC that there's \$150 billion that banks can access through the IMPP.

We just heard from the Minister of Small Business, who indicated that about \$100 million will be provided through the CEBA as the percentage of CEBA to handle in terms of administration fees. You mentioned that the domestic stability buffer is \$300 billion. We're close to, if not over, half a trillion dollars in supports now, and that's not including the term repo changes that the Bank of Canada has brought in.

Is OSFI monitoring the overall level of supports and the overall impact of regulatory relaxation? Do you have a figure for us right now for what is available to the big banks in Canada?

Mr. Jeremy Rudin: The questioner pointed out a variety of ways that the government is supporting the financial system, both directly and indirectly. Direct support comes principally through the activities of our office, of the Bank of Canada and of CMHC, but the indirect support is very important as well.

By providing income support to Canadians, whether it's income support or loans to businesses, this also relieves a considerable amount of pressure on the financial system. We are watching that very carefully.

That said, I'm afraid that I didn't bring a sum total to this meeting, and I can certainly undertake to provide it to the committee.

The Chair: I believe Peter is frozen. He's used two minutes of his time. We'll come back to him later.

Mr. Cumming, do you want to take over?

Mr. James Cumming: Sure, I'll step in for him. I'm sure he wouldn't mind.

Could you elaborate a bit on the stability buffer, where you've decided to go to 1%? What was the rationale to take it to that level at 1%? What was the analysis such that you picked that threshold?

Mr. Jeremy Rudin: I'm going to call on my colleague to provide a bit of colour here. I will just say that we had built up one of the largest counter-cyclical capital buffers in the world. We felt that put us in a position to make a measured reduction and to keep a certain portion of it in reserve, if needed, and we are prepared to release that, if that's the case. I think Mr. Gully can add a bit of detail.

● (1845)

Mr. Ben Gully: A variety of factors go into the setting of the domestic stability buffer. A large part of it relates to the strength of the economy and the growth in underlying assets, as well as broader questions around risk, such as household debt and consumer debt, as examples.

In this particular case, the release was very much one whereby we wanted to have a sufficient enough release to be meaningful to support lending across the economy. Typically, we have used on increases increments around a quarter of a per cent to half a per cent. We felt that it needed to be significant and large in order to convey the significance of the response and to provide clarity to institutions so that they have a clear runway to use that.

Obviously, we have the benefit of international practice to see what other jurisdictions have done as well, in order to calibrate the overall response, but we felt that the one and a quarter per cent was a response to the situation and was significant.

Mr. James Cumming: Mr. Chair, do you want me to carry on?

The Chair: Yes, you will finish your round. Then we'll go back to Peter.

Mr. James Cumming: I think Peter visited one of his offshore bank accounts or something.

A voice: Oh, oh!

Mr. James Cumming: Given that this has created that liquidity and that was the intent of this—and I understand that—and you aren't able to comment yet because the banks haven't reported on what's happening with their operations, I will ask you to comment. If we've created this environment of liquidity and it's working the way it should, then why is it that we should have so many other measures that the government has had to announce, whether it be through loan guarantees, special loans and the CEBA, or through a variety of other liquidity avenues such as BDC lending and EDC lending, to backstop some of these activities? Can you comment on that from a policy standpoint?

Mr. Jeremy Rudin: Mr. Chair, in this context I can only speak from my own perspective as superintendent, rather than for the government as a whole.

When I look at this from the perspective of superintendent, we have created a space for banks to lend, and they're being supported on the liquidity side, as I mentioned, by the Bank of Canada and CMHC. At the same time, banks remain commercial enterprises, and they're responsible for their own underwriting. They need to take reasonable risks. In this context, where it's very difficult to predict the future path of the economy, where it's difficult to fully assess the creditworthiness of enterprises, the fact that the government is coming forward to provide support to bank lending by taking some or a large portion of the risk onto the government's shoulders, it has clearly made it more likely that banks will be able to meet the loan demand presented to them.

The Chair: Thank you.

A quick one, James, if you have one.

Mr. James Cumming: On your website you mentioned temporary measures put in place to protect the rights of members and beneficiaries related to pension funds. Can you elaborate a little on what those temporary measures were?

Mr. Jeremy Rudin: I'd be glad to do that, Mr. Chairman, but Mr. Gully would be a better speaker on this topic.

The Chair: Go ahead, Mr. Gully.

Mr. Ben Gully: Thank you, Mr. Chair.

On March 27, we introduced a portability freeze. That is regulatory-speak for the extent to which transfers can be pulled out of pension plans. We did that because of the uncertainty facing the solvency positions of those funds because of the extraordinary uncertainty in the markets. Those restrictions were a blanket restriction for colleagues looking to transfer value out, but on May 7 we updated those restrictions and provided consent to those looking to retire early; they needed that cash, subject to certain restrictions.

Again, the balance here is wanting to preserve the value and the position of the funds for the benefit of members who stay in the fund, while also allowing some targeted relief for those who are looking to withdraw.

• (1850)

The Chair: Thank you for that.

Peter, you have about three minutes left.

Mr. Peter Julian: How much in all sectors is support being allocated to the banking sector, either through regulatory relaxation or support measures? Is OSFI tracking that? Just yes or no if you don't have the figures.

Mr. Jeremy Rudin: Mr. Chairman, just to reiterate briefly, we're paying close attention to all the support being provided directly or indirectly. It's very important to us as a prudential regulator. That said, I didn't bring a figure with me for the total amount, and I can certainly undertake to provide one.

The Chair: If you could provide that to the clerk, we'll send it out.

Mr. Peter Julian: Thank you so much.

On March 13 OSFI indicated that the banks should not use the measures that were being taken around the domestic stability buffer to increase distributions to shareholders or employees, or to undertake share buybacks. I notice today you mentioned in your statement that OSFI instructed banks not to undertake dividend increases and share buybacks. Of course, in other countries we've got the European Banking Authority, the Prudential Regulation Authority, the Mexican financial regulators. They all have absolutely made strict requirements that if you're getting public support, you can't do any of these things.

I'm interested both in the shift that appears to leave aside the issue of executive bonuses. Given the number of banks, including the CEO for TD Bank who said it doesn't change anything in their dividend policy, what are the consequences if banks deliberately say they're not going to co-operate, they're going to increase their dividends, provide executive bonuses and do share buybacks?

Mr. Jeremy Rudin: As the questioner mentioned, when we reduced the domestic stability buffer, we instructed all the financial institutions that we supervise—banks and insurers—to not increase their dividends; to cease share buybacks, including share buybacks that we had previously approved; and to not increase compensation levels. I have to say that I would expect full compliance on this; I have no doubts in this matter.

Mr. Peter Julian: No, my question is this: If they do not follow, what are the consequences?

Mr. Jeremy Rudin: Well, Mr. Chair....

Mr. Peter Julian: Are there consequences?

Mr. Jeremy Rudin: There would certainly be consequences.

I think that we have a variety of tools at our disposal. We would want to understand why we had non-compliance, and we would want to tailor the tool for the particular circumstance of the institution.

That said, we keep very close tabs on all the institutions that we supervise, and we have no indication that there will be non-compliance.

The Chair: Ask your last question, Peter.

Mr. Peter Julian: Obviously, seniors, small businesses...they're all struggling. The banking sector has been imposing fees and penalties around mortgage deferrals. They haven't lowered their credit cards or lines of credit to zero. Some credit unions have, but not the banking sector.

You're monitoring these banks. We're going to be hearing profits for the first quarter in just a few days' time. Are you concerned about windfall profits?

I'll cite, from back in 2009, of course, when the banks received support in the order of \$114 billion and announced \$27 billion in profits. The public appetite will not be positive if banks are announcing windfall profits over the next few days despite all of these public measures to boost the banking sector.

Are you tracking and do you have some sense of what the profit margins will be when they are announced in the next few days?

• (1855)

Mr. Jeremy Rudin: Well, Mr. Chair, as I said, banks will be starting to report their results. Everybody will be able to see their levels of profitability. There are some enterprises that are profitable in the current situation, and others are not. I think that can be an important social issue. It is perhaps an important policy issue. It's not, however, an issue that Parliament has ascribed to OSFI. Parliament has given it a mandate to protect the interests of depositors and policyholders by making sure that the banks and insurers are in safe and sound financial condition.

The Chair: Thank you.

We'll go to Ms. Dzerowicz.

Ms. Julie Dzerowicz: Thank you, Mr. Rudin and Mr. Gully, for being here today. Thank you for your presentation, and thank you for your extraordinary service to our nation. We're very grateful.

I have two questions, and then I would like to give the rest of my time to Ms. Koutrakis.

You mentioned, Mr. Rudin, that we are in touch quite a bit with similar international bodies. How do we line up versus other countries in terms of our resiliency?

Mr. Jeremy Rudin: Well, Mr. Chair, the best answer to that question will be shown in the future as we see how we navigate through this circumstance.

Mr. Gully is a member of the Basel Committee on Banking Supervision, so I'll ask him to comment. However, at a high level, I would say that Canada has a reputation around the world for strong and rigorous regulation and supervision of financial institutions from the prudential point of view, and that we have one of the most demanding capital and liquidity regimes in the world.

The Chair: Mr. Gully.

Mr. Ben Gully: I'll just build on that. We are subject to international peer reviews that examine the standards that we apply to the institutions. We continue to get "compliant" ratings out of that process. We're also subject to reviews from the International Monetary Fund that review in more detail the practices that we apply, not just regulations but also supervisory practices. They continue to give us good ratings.

The levels that we've applied to capital and liquidity, and risk management standards more broadly, have certainly served us well to date. We continue to benchmark ourselves well relative to those international peer groups.

The Chair: Thank you.

Ms. Dzerowicz, be quick.

Ms. Julie Dzerowicz: This is my last question. We lowered the domestic stability buffer by 1.25%. What would be the triggers that

you'd be looking for that would make you look at reducing that further?

Mr. Jeremy Rudin: Mr. Chair, as Mr. Gully mentioned, we wanted to make a significant decrease in order to respond to the severe and extraordinary circumstances we're in, and to create appreciable space for banks to access the capital loss-absorbing capacity they had built up in good times and might need in these circumstances. I think a great deal will depend on the depth and duration of our economic difficulties, and also how this is reflected in the results of banks.

As we mentioned, there's a great deal of support being provided by the government directly to support people's incomes, to fully or partially guarantee loans to businesses. All of that will reduce the need to use the buffer. However, if that recession is deep enough and goes on long enough, it's possible—it's by no means certain—that banks will move into the buffer space. We would consider that a normal and prudent thing for banks to do in a severe recession: to use their capital to support the economy to absorb losses. If they move well into the space that has been occupied, we'll have to consider whether we should create more space.

The Chair: Ms. Koutrakis, you have time for one question off Julie's round.

Ms. Annie Koutrakis: Thank you very much, Mr. Chair, and thank you, Julie.

I will turn to pension plans, as I think benefit pension plans are critically important for the well-being and security of retirees and are good for society as a whole. People need to have financial stability in their lives, especially when they are retired and older.

Could you please update us on the state of the DB plans in this current period? Have you analyzed the short- and medium-term impact of COVID on DB plans, given the very low interest rates inflating liabilities and much lower equity values depressing assets?

• (1900)

Mr. Jeremy Rudin: Thank you, Mr. Chair.

You praised our use of teamwork, and I'm about to show that again.

One thing I would mention to the committee, so they understand OSFI's jurisdiction, is that we regulate all the banks in the country, most of the insurers, but we are by no means the largest regulator of pension plans. We have 1,200 of them, but those are the ones that fall in the federal jurisdiction. The majority of both members and dollars in pension plans are in provincial jurisdiction.

That said, we're happy to talk about what we've been doing, and Mr. Gully will take the baton at this point.

Mr. Ben Gully: Mr. Chair, based on our examination and review, the private pension plans and defined benefit pension plans under our jurisdiction have performed well relative to the recent conditions. Solvency rates clearly have come under pressure, but there is nothing unexpected in that regard.

Our supervisory work remains focused on examining the sensitivity of the solvency positions to different scenarios, possibly including interest rates, and asset values more broadly. That work continues, and again, it is used to inform a broader assessment and a potential set of actions as we look into the future. Our focus very much remains on protecting the rights and interests of pension plan beneficiaries.

The Chair: Thank you for that, and thank you for that question, Annie.

Mr. Cooper, could we keep it to about four minutes?

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

Thank you, Mr. Rudin and Mr. Gully.

I want to first of all ask about the current covered bond limit.

I know that OSFI has provided that the banks are permitted to exceed the current covered bond limit. It's now 5.5%. How long do you anticipate that will be in place?

Mr. Jeremy Rudin: We'll see what my colleague might wish to add to this answer, but my own view is, as long as is necessary. The increase in the covered bond limit has been very helpful in improving the liquidity of banks.

An earlier questioner was talking about the use of government guarantees in order to create mortgage-backed securities that can be used for liquidity. One of the features of the Canadian covered bond system is that the covered bond collateral has to be uninsured, so this is all a private risk. Nonetheless, it's been an efficient way to help increase the ability of banks to borrow against some of their assets, which has been necessary, particularly in the early weeks of the crisis, and may yet come back. We're certainly prepared to leave it in without setting a deadline at this point.

I don't know whether Mr. Gully wants to add something.

Mr. Ben Gully: There's nothing further to add from me. Thank you, Mr. Chair.

The Chair: Mr. Cooper.

Mr. Michael Cooper: Thank you very much for that.

I want to talk a little more broadly about some of the risks that face the banking sector.

We saw, for example, that Fitch had dropped its outlook on the Canadian banking sector from stable to negative. We know that some of the significant risks, including ones you've identified today, include household debt. We heard just on Tuesday from the president of CMHC, and in his testimony he indicated that household debt to GDP could reach as high as 200%, if not higher.

In broad terms, could you just speak to that issue from the standpoint of asset risk to Canadian banks?

Mr. Jeremy Rudin: From the asset side, the principal risk faced by banks is on the credit side. This can incorporate mortgages that don't stay current, credit cards that don't stay current, commercial loans. All of these areas are going to be affected by the very sharp economic downturn we are currently experiencing.

From our perspective, as the questioner mentioned, we have been concerned for some time about elevated levels of indebtedness both at the household and corporate level. We don't pretend to have anticipated the pandemic, but we're always planning for a severe and prolonged recession. We want to make sure the individual institutions and the system as a whole are able to navigate through that. The principal, but by no means only, method that we use to do this is by making sure that capital levels, so the loss-absorbing capacity in institutions, are at quite a high level, which allows them to confidently navigate through a severe and prolonged recession.

We need to be prepared to see bank results we haven't seen for some time because we've gone through a very long, benign credit period, one of the longest and most benign periods of credit performance in Canadian history. We at OSFI, and in the financial sector, have not taken that for granted and have not assumed it will continue. We have prepared for the eventuality that it would not.

● (1905)

The Chair: We will have to end it there.

We have Mr. McLeod for four minutes.

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

Thank you to the presenters from OSFI. It was very interesting and very educational. We seem to have such good witnesses at our committee. We had a presentation from the PBO the other day and it really helped us to understand the fiscal situation in Canada.

As your organization has the sole oversight on banks, and now that we're in these unprecedented times, I want to ask about what indicators you are watching for when it comes to the economy. If the conditions continue to deteriorate, if the banks start to report losses, what will your organization do, and how should we react to that?

Mr. Jeremy Rudin: We watch a variety of economic indicators, not so much so that we'll understand the present, but so that we can understand what might happen in the future. What we're looking for in the future is not for our own purposes to predict what's likely to happen, but to figure out what could happen, and to make sure that we, and the banking system and the insurance companies, are prepared for that.

The key indicators that will affect credit performance will certainly be unemployment and overall income. From a commercial point of view, we've already seen quite a disparate impact on different types of businesses. We'll be watching that very closely, and then mapping it back into the particular risk exposures of the financial institutions.

As I said, from a capital point of view, capital is loss-absorbing capacity. We've gone through a long period when it's been rare to see banks or insurance companies have a negative quarter. If we see it, I understand that it will be unfamiliar and alarming perhaps for some people. I'm not saying we will see it, but certainly a severe and prolonged recession can bring that about, at least for some institutions. What's important to understand is that we have ensured that the financial system has a great deal of loss-absorbing capacity so that it is able to navigate through periods of losses, continue to provide financial services to Canadians and command the confidence of the public.

Mr. Michael McLeod: Thank you very much.

The Chair: We are a little over time. I apologize for that.

Mr. Rudin and Mr. Gully, on behalf of the committee I want to sincerely thank you for your presentation, but perhaps even more so, to thank both of you and your team for the work you do to ensure that our financial institutions are secure in this country. That's important to people out there on my street in Hunter River and it's important to the people in downtown Toronto. You have an extremely responsible position and we thank you for the work that you do.

Thank you for appearing before the committee today.

For committee members, I'll just outline the panels we will have next week. We will need lists of witnesses from all parties, prefer-

ably at midnight tonight, but we'll go to 10 o'clock tomorrow morning. Maybe the clerk could put out an email on this as well.

Could members give that some thought and get your proposed witness lists in to the clerk as soon as possible so he and his staff can do the work of trying to call those witnesses and get them in place?

On Tuesday, May 26, the first panel is on public transportation; and the second panel is on self-sufficiency and the supply chain. On Thursday, the first panel is on oil and gas; and the second panel will be the bi-weekly report of the Minister of Finance and officials from Finance and other departments.

David, can you put out an email just following the meeting, as well, so people have the topics that we agreed to at the steering committee meeting last week?

I see Peter on there and I know Pierre is listening. If we can arrange it, we should probably try to have a steering committee meeting on Monday.

With that, again, thank you to our witnesses and thank you to all the members. We had a lot of information this afternoon, so I thank everyone for their endurance as well.

Also, thank you to the interpreters and staff.

The meeting is adjourned.

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