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# Standing Committee on Finance

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Chair: Mr. Peter Fonseca





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• (1535)

[English]

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

Welcome, everybody, to meeting number three of the House of Commons Standing Committee on Finance.

Pursuant to the House of Commons order of reference adopted on December 2, the committee is meeting on Bill C-2, an act to provide further support in response to COVID-19.

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

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

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

Given the ongoing pandemic situation and in light of the recommendations from health authorities as well as the directive of the Board of Internal Economy of October 19 to remain healthy and safe, all those attending the meeting in person are to maintain two-metre physical distancing and must wear a non-medical mask when circulating in the room. It is highly recommended that the mask be worn at all times, including when you are seated. You must maintain proper hand hygiene by using the provided hand sanitizer at the entrance of the room.

As the chair, I will enforce these measures for the duration of the meeting and I thank members in advance for their co-operation.

To ensure an orderly meeting, I'd like to outline a few rules to follow.

One, members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have the choice at the bottom of your screen of either the floor, English or French. If interpretation is lost, please inform me

immediately, and we will ensure that the interpretation is properly restored before resuming the proceedings.

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

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

Before speaking, please wait until I recognize you by name. If you are on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer. When speaking, please speak slowly and clearly. When you are not speaking, your mike should be on mute. I remind everyone that all comments by members and witnesses should be addressed through the chair.

With regard to a speaking list, the committee clerk and I will do the best we can to maintain a consolidated order of speaking for all members whether they are participating virtually or in person.

I'd like now to welcome our witnesses. We have already heard opening statements from these witnesses, who are the same witnesses who were at our second meeting earlier this morning.

We are going to proceed directly to our question time. For the first round of questions, which will be six minutes for each member, we are going to start with the Conservative Party, and, I believe, Mr. Chambers for six minutes.

You have the floor.

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

Thank you again to our witnesses, who are so gracious with their time today.

I'd just like to pick up perhaps where I left off in the last round, with respect to those individuals who may receive benefits, who are ineligible whether by virtue of program design or for reasons of fraud or suspicious behaviour or otherwise.

How many post-payment verification checks have been made of applications and how many of those have been rejected based on these checks? I understand there are pre-payment verification checks, which is a relatively easy hurdle to overcome, but I'm talking about post-payment verification audits.

Thank you.

**Ms. Catherine Demers (Director General, Employment Insurance Policy, Skills and Employment Branch, Department of Employment and Social Development):** Thank you, Mr. Chambers, for the question, which I understand relates to the previous Canada recovery benefit. Or, is it on other benefits?

**Mr. Adam Chambers:** I would include the CRB and the wage subsidy benefits as well.

Thank you.

**Ms. Catherine Demers:** Okay. To be able to provide you an answer on these particular aspects of post-verification, which are not under my purview from an ESDC perspective, we would need to follow up on this, perhaps with our colleagues at CRA. This is not something that we would have under our purview.

I could talk about the upfront verification processes that are being proposed in the context of the Canada worker lockdown benefit, but not the outcomes of the post-verification processes that were implemented for the past benefits.

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

Is that the same answer for the CEWS recipients?

**Mr. Trevor McGowan (Director General, Tax Legislation Division, Tax Policy Branch, Department of Finance):** Yes, it would be. We would have to confirm with our counterparts at the Canada Revenue Agency to get that information.

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

As a member of this committee, for us to diligently ensure that we are reviewing this legislation appropriately and that we understand the process, I would request that it be done for this committee. As we heard earlier, it is the same verification process this time as it was last time. I would like an answer to those questions on how many post-verification checks have been completed and how many applicants have been rejected based on those checks.

In addition, could you please outline and document the specific steps for both verification periods? What are the steps the applicant must take for pre-verification? What are the steps the government has to take for pre-verification? Also, what are the steps the government must take for post-verification of audit of applicants for all the programs, for CRB and CEWS?

Separately, since we have been talking about it and an honourable colleague raised some questions earlier about recipients of CEWS that paid dividends, increased executive compensation and repurchased shares, as a member of this committee I think it would be very helpful—and for all of our members here, I think—to receive a list in short order of those recipients of CEWS, including the time period for which the applicant applied. That would be very helpful in my duties on this committee, and I think it would be relevant to other members of this committee as well.

Is that something you could agree to provide? For the list of the CEWS recipients, an easy format like Excel would be very appreciated.

Silence may be acquiescence. Is that...?

• (1540)

**Ms. Catherine Demers:** We will take this back. Thank you.

Yes, absolutely, we will take this back and see. We will take the questions back and see what can be provided to provide the details requested.

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

As we're well aware, we have some very tight timelines that we've been asked to review this legislation by. I would submit a request for a reasonable deadline of Friday at noon to provide this documentation. If you could meet that requirement, that would certainly help us dispense with our duties.

**Mr. Trevor McGowan:** I would just like to add in response on the executive compensation repayment requirements, as that compares 2021 compensation to 2019 compensation, that information would be unavailable, as the 2021 year hasn't ended yet, but we'll certainly reach out to CRA for the other information.

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

Just so that we're clear on this, a list of all CEWS recipients and the period for which they applied in a simple form in Excel would be very helpful, and then back on the documentation of pre-verification and post-verification checks, both on the applicants' side and the government's side. Then, please confirm for this committee how many post-verification checks have been completed, both for CERB and for CEWS, and how many have been rejected.

Thank you.

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

We are moving now to the Liberals for six minutes.

Mr. Baker, you have the floor.

**Mr. Yvan Baker (Etobicoke Centre, Lib.):** Thank you very much, Mr. Chair.

I have a couple questions for our witnesses. I couldn't help but overhear the exchange between Mr. Chambers and the officials. Mr. Chambers and his colleagues appear to be very concerned about making sure that those who receive the wage subsidy or the CERB are entitled to receive it.

It was interesting, because I was reminded of a motion in the House, in Parliament—and this was introduced by a Conservative—

That, given that the pandemic has had devastating consequences on Canadian workers and businesses, especially in the restaurant, hospitality and tourism sectors, the House call on the government to: (a) immediately pause the audits of small businesses that received the Canada Emergency Wage Subsidy until at least June 2021.

On the one hand, the Conservatives are saying they're very concerned about people receiving the wage subsidy when they shouldn't have received it and on the other hand they voted against measures to make sure that what they're concerned about was not happening. I want to point that out. Indeed, the entire Conservative caucus voted in favour of that motion. The entire government caucus voted against it. I just want to point that out for the record.

I'd like to talk about the impact of these programs. I'm wondering if our team from Finance could speak to how many people have been impacted by the programs that have been put in place to support people and businesses through this pandemic. How many people have benefited from the CERB and how many businesses have benefited through the wage subsidy?

**Mr. Yves Poirier (Director, Economic Development, Business Income Tax Division, Department of Finance):** On the wage and rent subsidy, I can answer that part of your question. Based on the latest available data, there have been about 450,000 businesses or employers that have claimed the wage subsidy. The number of employees supported each month varies from month to month, but it was up to 5.3 million at the height of the pandemic. So far \$98 billion has been disbursed under this program. On the rent subsidy, so far there have been about 200,000 unique applicants. The amount paid out from this program is \$7.3 billion.

• (1545)

**Mr. Yvan Baker:** Do you have figures for the CERB?

**Mr. Yves Poirier:** Sorry, you're muted.

**Mr. Yvan Baker:** I'll try again.

My understanding—

**Mr. Yves Poirier:** No, the comment was for Ms. Demers.

**Ms. Catherine Demers:** For the Canada recovery benefit, there have been approximately 2.3 million unique applicants—Canadians—who have benefited throughout the duration of the benefit.

For the Canada recovery sickness benefit, there have been about 780,000 unique applicants who have benefited.

For the Canada recovery caregiving benefit, there have been almost 500,000 workers who have benefited across Canada for the duration of the benefit.

**Mr. Yvan Baker:** Okay. I wanted to recap those numbers and make sure I got them correct.

Through the wage subsidy, 5.3 million people have benefited. Through the rent subsidy, 200,000 businesses have benefited, and who knows how many people it has touched and how many businesses it has allowed to stay afloat and how many individual Canadians it has allowed those businesses to employ. The CRB has touched 2.3 million people. The Canada recovery sickness benefit has impacted 780,000 people, and the caregiving benefit has impacted 500,000 people.

That's an incredible number of people who were desperate for help and who got help from the government at a critical time. I want to thank you and your team and those officials who have been working on that for your hard work in making these programs possible. I think it's something that all of us on both sides of the House and both sides of this committee should be celebrating.

Chair, how much time do I have left?

**The Chair:** You have a minute and 15 seconds.

[*Translation*]

**Mr. Yvan Baker:** Fine.

I have another question for our colleagues from the Department of Finance.

All through the pandemic, these programs have been adapted to respond to the constantly changing public health situation.

Could you tell us how the department reacted to these various changes?

**Ms. Catherine Demers:** I can begin to respond with respect to the transition to the Canada recovery benefit.

This was done at a time when we were seeing an improvement in the economy and the labour market, when employment and unemployment rates had returned to almost pre-pandemic levels and labour shortages were increasing. All these factors were indicators of a great improvement in the labour market this autumn. However, there are still very real risks and uncertainties about the evolution of the virus. That being said, benefits have been adjusted in line with the economic and public health situation.

[*English*]

**The Chair:** Thank you.

We are now moving to the Bloc.

Welcome, Madame Sinclair-Desgagné. The floor is yours for six minutes.

[*Translation*]

**Ms. Nathalie Sinclair-Desgagné (Terrebonne, BQ):** Thank you very much, Mr. Chair. I thought I had two and a half minutes. It's good that I have six.

My first question is about seasonal workers. I would like to know how far the bill applies to them.

As I understand it, there are two criteria. Firstly, you have to have suffered a fall in your average earnings over a well-defined 12-month period, from March 2020 to March 2021. The second criterion, however, is that you must have experienced a 50% decline in revenue in the current month compared to the same month in a previous year. However, for seasonal businesses that do not earn income during the off-season, how can 50% of zero be calculated? That is particularly difficult.

I would like to know what Bill C-2 provides for seasonal workers and how they can be compensated.

• (1550)

**Ms. Catherine Demers:** Thank you for the question.

Let me add some clarifications.

Many of these workers have benefited from temporary measures offered by employment insurance. If they were affected by the pandemic, if they experienced job loss or reduced hours, they may have been able to access EI benefits over the past year or the Canada recovery benefit. The benefits we are talking about today would take into account the income received, including the Canada recovery benefit or the EI benefits received. These benefits would be included in the \$5,000 minimum earnings requirement. In the case of seasonal workers, these sources of income would therefore qualify.

I hope this was a more complete answer to your question.

**Ms. Nathalie Sinclair-Desgagné:** Following on from your response about eligible sources of income, I would ask: if these workers normally have no expected income during an off-season, what figures are you basing this on?

**Ms. Catherine Demers:** We are basing this on the previous 12 months or the year 2020. If they did not work, but received benefits during that period and the amounts received add up to a minimum of \$5,000, they may be eligible for assistance.

**Ms. Nathalie Sinclair-Desgagné:** I see.

What about the second criterion, whereby a month is compared to that same month from a previous year?

**Ms. Catherine Demers:** I'm not sure if this applies to the benefit we are talking about for workers. We don't look at one month's earnings compared to another month. Perhaps that is the case for the business benefit. For workers, however, this is not the case. It's really in comparison to—

**Ms. Nathalie Sinclair-Desgagné:** We are talking about the hardest hit companies, right?

**Ms. Catherine Demers:** Oh, I see; I was talking about the workers.

**Ms. Nathalie Sinclair-Desgagné:** How then can seasonal businesses that have no income in the low season meet the second criterion?

**Mr. Yves Poirier:** I can answer the question.

It's helpful to understand how employment support programs work. In terms of the stimulus package for the hardest hit businesses, the criterion of having suffered a drop in income in a particular month compared to another month certainly comes from the old wage and rent subsidy program. This is the measure that was established at the beginning of the pandemic. It's been in the program since the beginning and it's very well understood by employers. So that criterion is pretty clear.

In practice, this means that businesses must demonstrate a loss of income in the current month. The government chose this criterion in order to target the hardest hit businesses. In this way, there is no change in the rules compared to those previously in place. This measure would also apply under the new program.

**Ms. Nathalie Sinclair-Desgagné:** So in summary, we are on the same page when it comes to businesses.

With respect to seasonal workers, previously, they could collect the Canada recovery benefit, or CRB, without having to do so through their enterprise. Now, according to Ms. Demers' response, they will still be covered by Bill C-2 if they generated more than \$5,000 in earnings over the 12 months in question.

**Ms. Catherine Demers:** That's correct. Income earned in 2020 is also eligible.

**Ms. Nathalie Sinclair-Desgagné:** Thank you, that is very clear now.

I'll ask my next question.

If someone claimed a caregiver benefit or sickness benefit this week, for example, before the bill is passed, could they claim it retroactively for the period when they were eligible?

**Ms. Catherine Demers:** Yes, that is what the bill provides. When the proposed changes come into force, they may be retroactive to November 20. Benefits had already been extended, by regulation, from October 23 to November 20. The purpose of this bill is to extend them further, from November 20 to May 7. Once these changes come into effect, workers will have 60 days to file a claim if they were affected during one of these weeks.

• (1555)

**Ms. Nathalie Sinclair-Desgagné:** How much time do I have left, Mr. Chair?

[English]

**The Chair:** You have 10 seconds.

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** So I will take this opportunity to thank the officials for their answers.

**The Chair:** Thank you.

[English]

Now we'll move to the NDP and Mr. Blaikie for six minutes.

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

One of the things this legislation does is extend the leave period for workers under the Canada Labour Code so that they can be entitled to take leave consistent with the program length of the Canada recovery sickness benefit and the Canada recovery caregiving benefit, both of which are being increased by two weeks, but of course this will only be in federally regulated workplaces, or about 17% of the Canadian workforce.

What efforts have already been made to reach out to provinces? Does the government have any commitments from the provinces that they will likewise be extending leave provisions at the provincial level so that Canadians can benefit from the extension of these programs?

**Mr. Douglas Wolfe (Senior Director, Strategic Policy and Legislative Reform, Strategic Policy, Analysis and Workplace Information Directorate, Labour Program, Department of Employment and Social Development):** Thank you, Mr. Blaikie. I can respond to that question if you'd like. I'm from the labour program.

You're quite right that the provisions do only apply to federally regulated workers, so it's a small fraction of the overall labour force. Certainly, provinces and territories are aware of these provisions and are certainly aware that Bill C-2 is making its way through Parliament. We fully expect that they will make the amendments that would be required so that employees within the provincial and territorial jurisdictions could also have job-protected leave.

**Mr. Daniel Blaikie:** Is that expectation based on any communication that you've had with the provinces? Are there any provinces that have introduced legislation so that this can be done in a timely way?

**Mr. Douglas Wolfe:** To my knowledge, no province has introduced legislation yet, but certainly with a bill like this one, provinces would normally follow suit. Of course, they are fully autonomous, but normally they would follow suit on a bill such as this one.

**Mr. Daniel Blaikie:** Has anyone in the federal government surveyed the legislative calendars of provinces to get an idea of when they might be able to introduce and pass legislation?

Provided this legislation passes in time for Christmas, I'm thinking that if no other provinces have undertaken to make complementary legislative reforms, this leave wouldn't actually be available to 87% of the Canadian workforce, or thereabouts—maybe 83%—until some time in late January, February or March. Does the federal government have any expectation as to when it will be available? Respecting, of course, that provinces are independent, has there been enough communication with them to have a reasonable expectation about when provincial leave requirements might be expanded?

**Mr. Douglas Wolfe:** Yes, that's a great question, and it's certainly important. I should say that for most provinces they already do have provisions in place, due to what has come before, so for some of them, this might mean simply extending these provisions; but for the vast majority of them, they already do have provisions in place, just to be clear.

**Mr. Daniel Blaikie:** Okay. So for the vast majority of provinces, you're saying that the leave provisions required are already in place and Canadians could avail themselves of this in most provinces as soon as this legislation passes here in Ottawa.

Could you provide a list for the committee of which provinces would already be compliant in their leave provisions with this legislation and which ones aren't, and what communications have happened with the ones that aren't?

**Mr. Douglas Wolfe:** We'd be happy to provide [*Technical difficulty—Editor*] a list.

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

I wanted to ask about the Canada worker lockdown benefit. Of course, we've talked a bit about the retroactivity of the benefit.

Canadians will have 60 days to apply after the coming into force of Bill C-2, but my understanding so far—and I'm looking for confirmation from the department—is that there is no region in Canada that has met the requirements that would trigger the Canada worker lockdown benefit between the period starting on October 23 and now. Is that true?

• (1600)

**Ms. Catherine Demers:** Whether a region is a lockdown region for the purposes of the benefit will be a determination of the Governor in Council on the recommendation of the minister of ESDC once the legislation is passed. In the meantime, the department is monitoring situations across Canada.

**Mr. Daniel Blaikie:** We're talking about the past, so for any of the period that has already happened up to today, are there any regions where the Canada worker lockdown benefit criteria would be met?

**Ms. Catherine Demers:** This would need to be a recommendation by the minister and a decision of the Governor in Council.

**Mr. Daniel Blaikie:** Have there been any public health lockdowns as defined in the act since October 23 to date?

**Ms. Catherine Demers:** That will need to be determined. This is something that we are tracking and this will need to be determined by a decision from the Governor—

**Mr. Daniel Blaikie:** Let me rephrase the question. Is there any region in Canada where the department, based on the information available, would recommend to the Governor in Council that they deem the criteria of the legislation to have been met?

**Ms. Catherine Demers:** This assessment is ongoing. Public health restrictions are being assessed, are being tracked, and this assessment, this tracking, is ongoing at the moment.

**Mr. Daniel Blaikie:** It is concerning to me that the government wouldn't have an idea already for the period from October 23 to now of whether the criteria it has laid out in its own legislation to trigger a benefit for \$300 a week for workers who are in distress would have been met or not.

I mean, we know what the public health orders for the jurisdictions have been since October 23. There's no new information coming to be analyzed, so how is it that the department could have no idea? How would you even assess the cost of this program for October 23 to now if you have no idea whether the public health orders to date would be sufficient to trigger the legislation or not?

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

We are moving to our second round of questions.

We'll go to the Conservatives and Mr. Poilievre for five minutes.

**Hon. Pierre Poilievre (Carleton, CPC):** Thank you very much.

My questions relate to the sickness and caregiving benefits. Can the officials tell us what is the duration of the sickness benefit and what is the duration of the caregiving benefit?

**Ms. Catherine Demers:** Thank you for the question.

The current duration of the sickness benefit is a maximum of four weeks, and it is proposed that it be extended by an additional two weeks to six weeks in total. For the caregiving benefit, currently the maximum duration is 42 weeks, and the proposal is to extend it to 44 weeks.

**Hon. Pierre Poilievre:** Under the bill's proposal, the sickness benefit would go to six weeks. Do I have that right?

**Ms. Catherine Demers:** That's correct—an additional two weeks.

**Hon. Pierre Poilievre:** Right. Okay, and it would be \$500 a week. Do I have that right?

**Ms. Catherine Demers:** The same parameters would apply. That is correct.

**Hon. Pierre Poilievre:** Okay.

What does someone have to do to prove they are sick and qualify for the sickness benefit?

**Ms. Catherine Demers:** The same eligibility requirements would apply. It is attestation based.

If you agree, I would like to ask my colleague, Benoit Cadieux, to provide the details on those requirements.

**Hon. Pierre Poilievre:** Sure.

**Mr. Benoit Cadieux (Director, Special Benefits, Employment Insurance Policy, Skills and Employment Branch, Department of Employment and Social Development):** Thank you, Catherine.

Thank you for the question.

As Catherine mentioned, it is attestation-based. A claimant would have to see a reduction in the hours that they could work for a specific week by at least 50% in order to be eligible. If they meet that requirement, in addition to having a valid SIN, having the right age and everything, they would be eligible for the benefit.

**Hon. Pierre Poilievre:** How would they prove that the reduction is the result of being sick?

**Mr. Benoit Cadieux:** It is entirely attestation-based.

**Hon. Pierre Poilievre:** They just attest to being sick.

**Mr. Benoit Cadieux:** Correct.

**Hon. Pierre Poilievre:** Is there any verification?

**Mr. Benoit Cadieux:** As we mentioned in previous questions, the Canada Revenue Agency does do post-verification audits based on—

**Hon. Pierre Poilievre:** How many of those have been done?

**Mr. Benoit Cadieux:** We will come back with those numbers as requested earlier.

• (1605)

**Hon. Pierre Poilievre:** All right.

When you say “verification audits”, how do they verify whether someone was sick after the fact?

**Mr. Benoit Cadieux:** They have the authority to ask for proof—for example, a medical certificate—that claimants can provide, if they desire.

**Hon. Pierre Poilievre:** Are claimants required to get a note from a doctor before they apply for they benefit?

**Mr. Benoit Cadieux:** They are not.

**Hon. Pierre Poilievre:** If Revenue Canada were to ask for one after the fact, the claimant would obviously say, “I didn't get one, because it's not required”.

**Mr. Benoit Cadieux:** There are other things that the claimant could have, such as proof that they took a test and that they were tested for COVID-19.

**Hon. Pierre Poilievre:** What if they don't have any of that? What would happen then?

**Mr. Benoit Cadieux:** I would have to defer to colleagues from the CRA to determine how they would—

**Hon. Pierre Poilievre:** Is there any proof that someone has to provide to show that they were, in fact, sick in order to get the \$500 a week, or roughly \$2,000 a month?

**Mr. Benoit Cadieux:** There is no proof that somebody would have to show that they were, indeed, sick. However, as I mentioned, the CRA does have the authority to ask for information to determine eligibility for benefits.

**Hon. Pierre Poilievre:** No information is required, so, in order to be eligible, they do not have to have a doctor's note. They do not have to have a test showing any particular illness; they can simply attest that they are sick and they receive \$2,000 a month.

**Mr. Benoit Cadieux:** At the time of application, that's correct, but the CRA can verify and ask for additional documents afterward.

**Hon. Pierre Poilievre:** I understand that, but even if they did ask for those documents afterward, the claimant can simply say, “Those are not required; therefore, I did not seek them”. Is that correct?

**Mr. Benoit Cadieux:** That could happen. You are correct.

**Hon. Pierre Poilievre:** Right. Okay—

**The Chair:** You're out of time, Mr. Poilievre.

We are moving now to the Liberals. We have Madame Chatel for five minutes.

**Mrs. Sophie Chatel (Pontiac, Lib.):** My colleague's question reminded me of what we have to provide to our whip if we are sick and cannot attend the chamber, but that's another question.

I'm concerned about the impact of not passing this bill in time for the Christmas break. I have a question about part 2, but let's start with part 1.

What are the impacts of not adopting the measures on the specific industry that we are intending to help?

I have also noticed that, in the bill, there are other regulations and existing legislation being amended by this bill. Can I have the technical impact of the coordination measures on those provisions in the bill? If the bill doesn't pass before Christmas, what happens to the other regulations that we intended to amend?



**Mr. Trevor McGowan:** I can certainly start with the answer in respect of part I. The simple answer is that the Canada Revenue Agency requires royal assent of Bill C-2 before it can make payments under the wage subsidy or any of the programs in part I after the end of November, which was the legislated expiration time.

There are some housekeeping measures relating to regulations in the bill, in particular for the twentieth and I think twenty-first qualifying periods, where parameters for those extended periods that have been done through regulation are being moved into the act. It may not always seem to be the case, but we do try to make the rules as user-friendly as possible. Moving those parameters from the regulations to the act puts everything in one place but does not result in a substantive change. For the twenty-third qualifying period, which ends November 22, I think, that could be made through either the normal regulatory process or this bill.

If regulations are in fact promulgated before this bill receives royal assent, then the bill would have the effect of repealing those regulations and moving them into the act along with the parameters for the twenty-first qualifying period, to tidy them up. For the periods ending after November, which are currently precluded under the existing law, the Canada Revenue Agency would be unable to make payments before royal assent of this bill.

• (1610)

**Mrs. Sophie Chatel:** Thank you. One of the concerns I have is that people will not receive help before Christmas, so thank you for that answer.

[*Translation*]

My next question will be about part 2 of the bill. It's about measuring the impact if the bill is not passed before the holidays.

Ms. Demers, which groups would be most affected if benefits were not extended through this bill?

**Ms. Catherine Demers:** Thank you for the question.

We've seen the use of economic recovery benefits, sickness benefits and family caregiver benefits change along with the waves of the pandemic. Each time more severe restrictions have been implemented, the use of these benefits has increased. People use the benefits when there's a need for them. As the restrictions are lifted, the number of applications goes down.

In terms of the profile, we know that family caregivers, for example, are mostly women. About 60% of the applicants are women. These women are taking care of children as a result of school closures or looking after parents since facilities are closed because of COVID-19. They can't go back to work. In addition, some of the lower income or self-employed workers may not have the protections provided by regular employment that would enable them to take time off.

This program addresses some major shortcomings. Given the uncertainty surrounding the course of the pandemic, it provides a significant public health measure and ensures that individuals don't need to return to work and potentially put others at risk.

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

[*English*]

We'll now move to the Bloc with Madame Sinclair-Desgagné.

[*Translation*]

**Ms. Nathalie Sinclair-Desgagné:** I have a question about business subsidies.

Do you know whether other sectors are suffering from the crisis as much as the tourism and hospitality sectors, which I'm pleased to see included in the bill?

**Mr. Yves Poirier:** Thank you for the question. Perhaps I can answer it.

There's a certain willingness to help the tourism sector in particular through these subsidy programs—

[*English*]

**Ms. Julie Dzerowicz (Davenport, Lib.):** On a point of order, Mr. Chair, I think our French is gone—not that I don't mind practising it.

**The Chair:** Yes, I'm having the same experience.

We're not getting interpretation.

**A voice:** [*Inaudible—Editor*]

**The Chair:** Okay.

We stopped the time, so you have two minutes left.

[*Translation*]

**Ms. Nathalie Sinclair-Desgagné:** I'll repeat my question, which is very straightforward. Do you know whether any other sectors have suffered from the pandemic as much as the tourism and hospitality sector?

**Mr. Yves Poirier:** As I was saying, these programs focus mainly on the tourism sector, which has been particularly affected by the health and travel restrictions. However, the two programs as a whole, the tourism program and the hardest-hit business program, cover all sectors of the economy.

As far as I know, businesses are facing challenges in all sectors of the economy. That's why these programs aren't sector-specific. The programs are available to all businesses facing challenges, regardless of the sector, as long as they meet the eligibility criteria.

• (1615)

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

I'll continue along the same lines. We're aware of the various issues caused by the pandemic. Some sectors have been directly affected by the pandemic. If businesses are struggling financially as much as businesses in the tourism and hospitality sector, especially given the supply chain disruptions during the pandemic, they fall directly into the category of the hardest-hit businesses. Could we then include them in these programs or ensure that they're treated the same as tourism and hospitality businesses?

**Mr. Yves Poirier:** On that note, I also want to bring up the local lockdown program. In the event of additional lockdowns that lead to the disruption of certain supply chains, for example, all affected businesses could be eligible for a subsidy program that would basically provide the same thing as the tourism and hospitality recovery program.

**Ms. Nathalie Sinclair-Desgagné:** In addition to lockdowns, there's talk of long-term consequences for some businesses whose supply chains have been hit hard.

[*English*]

**The Chair:** Thank you. We've reached the time.

Thank you very much.

We're moving to the NDP. We now have Mr. Blaikie for two and a half minutes.

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

We've heard in a few places that the anticipated budget for these measures is just over \$7 billion. Is that fair to say? I'm just looking for a yes.

All right. I got a yes. Great.

What proportion of that is for the Canada worker lockdown benefit?

I'm sure somebody's doing a drum roll, but they're on mute.

**Ms. Catherine Demers:** I'm not sure if my colleagues could provide an answer to that. What we can say is that the estimated use and volume are difficult to estimate because it depends on whether there will be the occurrence of regional lockdowns.

**Mr. Daniel Blaikie:** But there is a budget: Some of that \$7 billion is an allocation for the Canada worker lockdown benefit. Is that not true?

**Ms. Catherine Demers:** Yes, for the ensemble of the measures. I think this is something that perhaps.... I'm not sure if I would turn to my colleagues at Finance, but certainly for the lockdown benefit we know that the estimated volume is a number that is difficult to predict. That said—

**Mr. Daniel Blaikie:** But there is an estimate, and I guess I'm curious to know what is the estimate. I get that it's difficult to come up with an estimate, but somebody did, because there's a budget number. What is the estimate and how did you arrive at it?

**Ms. Catherine Demers:** Perhaps, if I'm not seeing anyone from Finance, we can take this question back, if that's okay with you.

**Mr. Daniel Blaikie:** I guess so. I have to say this is the kind of question that I really would have thought would not be a difficult one when we get a briefing from officials, particularly when the

government has been very up front about a budgetary forecast for the bill.

There are two main components. There are the measures that fall roughly under the Canada emergency wage subsidy programming and then the Canada worker lockdown benefit. I would have thought that we were not getting into difficult questions just in asking what amount is allocated for the worker lockdown benefit.

**The Chair:** Thank you.

We'll move to the Conservatives with Mr. Stewart for five minutes.

Go ahead, please.

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

I have a couple of points of interest. I do think it's not benefiting any of the members of the committee that there aren't officials here from CRA, who could answer some of the questions that Finance obviously can't answer with relation to policy. I think it would be beneficial to have CRA officials appear as witnesses tomorrow. I think that would be helpful. I want to make that statement for now.

First question: Can any of the witnesses tell me how much it is going to cost to administer the full suite of programs? We know that it's around \$7.4 billion worth, or at least that was the initial forecast, but how much is it going to cost to administer the programs?

• (1620)

**Mr. Maximilian Baylor (Senior Director, Personal Income Tax Division, Tax Policy Branch, Department of Finance):** On part 1 of the bill, we don't have those estimates in hand, but we can certainly get back to the committee on the administration costs for the total figure that has been committed.

**Mr. Jake Stewart:** We know that \$7.4 billion worth of funding is going to be doled out to people who are deserving or, potentially, not at all. My question is very simple. If you can have a budgetary item and if the government can be prepared to fast-track \$7.4 billion in spending without actually telling anyone where the money's coming from, I think it's very important for all the members on the committee here today to know exactly what it is going to cost to dole out \$7.4 billion. I'm asking again: What will be the cost to administer this suite of funding?

**Mr. Maximilian Baylor:** As I indicated, Mr. Chair, we can return with the cost breakdown, but we just don't happen to have those numbers at this stage.

**Mr. Jake Stewart:** Mr. Chair, with all due respect, at this stage, we are in day two of proceedings that are not going to last for very long.

Will we be able to determine what this will cost to administer tomorrow? Will the answer to this question be here tomorrow? That's through the chair, of course.

**Mr. Maximilian Baylor:** Right.

**Mr. Jake Stewart:** Is that a yes?

**Mr. Maximilian Baylor:** Mr. Chair, we can endeavour to provide those answers along with answers to the other CRA-related questions that were asked earlier, if that's all right.

**Mr. Jake Stewart:** I have another question that's related to the same line of questioning. Let's say that people came prepared today and they actually provided details that they would certainly have. My question is, with regard to the number—which we now have to wait potentially another day for or maybe forever for—is that number included within the \$7.4 billion worth of spending, or is that an increase, an extra expenditure?

**Mr. Maximilian Baylor:** My colleague Mr. Poirier can verify, but my understanding is that it's included.

**Mr. Jake Stewart:** I have one final question for now. How many staff have been hired to carry out the doling out of \$7.4 billion?

**Mr. Maximilian Baylor:** Again, that's a question on the administrative side of things, a question for the Canada Revenue Agency, so I can't speak to that.

**Mr. Jake Stewart:** Through the chair, CRA needs to be here tomorrow. That's yet another question that has gone unanswered.

Thank you.

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

We'll move now to the Liberals.

Mr. MacDonald, you have the floor for five minutes.

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

This is relevant to the supply chain disruptions we heard about earlier and the persistent supply constraints. Now we're into a variant and limited international travel. What effect do they have on our economic level at this point? How important would this bill be to suffice to improve that?

• (1625)

**Ms. Catherine Demers:** Maybe I can try an answer that perhaps will not directly respond. That said, the benefits that are proposed here are exactly to help contain the spread of the virus, helping individuals who are at risk to stay at home. Whether their region is in a lockdown or there are higher risks related to the restrictions, or it's in their communities, it is really meant for that. It's to support individuals by helping them make the decision to stay at home and not go back to work.

**Mr. Heath MacDonald:** Can you explain how the general economic situation has improved because of the programs that were put in place—and potentially the program that we're dealing with right now, Bill C-2?

**Ms. Catherine Demers:** What we are seeing with the transition, with this more targeted suite of supports for workers impacted by the pandemic, is a recognition of two things. One is the movement into a next phase of the recovery where we're seeing employment levels back to pre-pandemic levels, where we're seeing an increase

in job vacancy rates and where we're seeing a return of the economy across sectors, really leading to therefore the provision of additional supports that are really much more targeted in the context of providing the supports that are needed in the context of public health restrictions, and really leading to public health-related support versus addressing broad-based, generalized economic impacts of the pandemic.

**Mr. Heath MacDonald:** I'll change it up a little bit and go back to the CRA question. If someone can't provide a document during a CRA audit, it's likely they would be rejected or be asked to repay it. Is this correct?

**Ms. Catherine Demers:** I'm sorry, I did not hear the question very well. If they are deemed to be ineligible, they would be in a situation where they would need to repay. That's correct.

**Mr. Heath MacDonald:** Thank you. That's fine.

Thank you, Chair.

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

We will move to our third round, starting with the Conservatives.

Mr. McLean, you have five minutes.

**Mr. Greg McLean (Calgary Centre, CPC):** Thank you.

We've heard a lot here today. Following on my colleague Mr. Blaikie's comments about the lack of definition for clarity about what we actually are going to be dealing with going forward here, I'll say that clarity is required for the definition of the money we're going to be spending here. Surely there's a financial model that's predicated on some real definitions of how this money will be spent and under what circumstances. If we don't even know what those circumstances are in retrospect, and if they apply, then clearly this modelling is somewhat suspect.

I'm going to make some excuses for the Finance officials here, because I know that you arrived late and were briefed on this late to be able to appear here today. That's a result of this bill's being jammed too late into a process that's going to take a bunch of time here right at the end of the year.

However, there was a time when the Department of Finance, in drafting a bill like this, starting in the mid-1990s, was rather good at making sure that this modelling was clear. This modelling is no longer clear. I don't know if it's because things have been lax during COVID, but this is something that you need to get right for the country, so I do have some questions around the financial modelling and the expectations, because here we've heard that \$7 billion might be the amount we spend, depending on the definitions, through to May, but then it might go through until July.

This is just a blank chequebook, and I know the government has had a blank chequebook for far too long. This has to change, and this has to change in the Department of Finance in particular, because they're advising the minister.

I know there are a lot of moving parts. Let me ask a question about the debt-to-GDP ratio, because with the amount of spending this government has taken on, they've ramped up the debt-to-GDP ratio to 54% and are going to manage it down to 51% over the next handful of decades and keep it there. Have you factored these numbers into that debt-to-GDP ratio? I know that there are a lot of moving parts. Is this even a consideration?

I hear silence.

● (1630)

**Mr. Maximilian Baylor:** I'm sorry, Mr. Chair. I can maybe just add that the economic and fiscal forecast again is sort of outside the scope of what is in the bill. It is something that is done by officials, like I say, on the economic and fiscal forecasting side, on the tax policy side. We're essentially here to answer questions on what's in the bill, so I'm not sure I'm the right person to address that, Chair.

**Mr. Greg McLean:** Okay.

Let me ask some more questions here respecting tourism. You're not sure of the definitions on tourism recovery here. You're proposing that the amount of subsidization go down by half in March to May in the current bill. What percentage of Canada's tourism industry ramps up in the spring?

Boy, it takes a long time to get an answer.

**Mr. Maximilian Baylor:** Well, again, the horizon for these programs and the way they sort of phase out is based on the economic projection and the health outlook. That's the notion on which those are based.

**Mr. Greg McLean:** Okay. On the outlook, I appreciate that.

At the end of the year, these entities are going to have to pay back \$40,000 of the \$60,000 that they have been loaned by the government. Do you have any idea of how that's going to happen in the cash flow that you might have forecast for the industry going forward?

**Mr. Maximilian Baylor:** I'm sorry. I didn't hear the question. There was something, a service break.... I apologize.

**Mr. Greg McLean:** A lot of these entities were accorded \$60,000 of relief by this government to get through the first stages of COVID, of which they have to pay back \$40,000 by the end of this year. Do you have any modelling about how that's going to affect their viability this coming year, when they may not have any money to pay it back?

**Mr. Maximilian Baylor:** I believe that's referring to another program. I'm not sure what program the honourable member is referring to. Is it the loan program? If so, again, that's not my area.

**The Chair:** That's all the time we have, Mr. McLean.

We'll move over to the Liberals.

Ms. Dzerowicz, you have five minutes.

**Ms. Julie Dzerowicz:** It's me already. Okay. Thank you so much.

Mr. Chair, perhaps I could make a request. Mr. Blaikie had asked.... He didn't exactly ask this specifically, but I do think it's important for us to have a breakdown of the \$7.4 billion in terms of the different programs we have. Could I please request, through you to our officials, that we get that in writing from our officials as soon as possible, ideally tomorrow? I think we should have that information. That should be readily available to all of us.

**The Chair:** Ms. Dzerowicz, I did understand that the officials were going to do that homework and look to, I believe, the CRA to be able to get some of those numbers, but yes, we'll request that.

**Ms. Julie Dzerowicz:** I don't think it's something the CRA would have. I think our officials in Finance would have that, but for some reason we don't have that available today.

Any rate, thank you so much for the opportunity to ask a few more questions. I want to ask about category one, around the supports for businesses—the tourism and hospitality recovery program and the hardest-hit businesses. Actually, it's more around the hardest-hit business recovery program. If we read through the backgrounder, there's a very specific list of who's included. I wouldn't mind hearing from officials about how they came up with the list. Was it through recommendations that Finance might have made through some of the meetings we had earlier this year? Was it through an understanding or consultations with the different industry groups that we came up with this comprehensive list?

I wouldn't mind getting an understanding about how we came up with the list that we have. I think it's a good list, by the way, but I wouldn't mind understanding how we compiled and settled on it.

● (1635)

**Mr. Maximilian Baylor:** You mentioned the hardest-hit program, but I believe you're referring to the tourism and hospitality recovery program. That's the one that has the list.

Effectively, that program is intended to support the tourism and hospitality organizations that have been deeply affected by the pandemic and continue to struggle. It's also those that are generally affected by public health restrictions. It's very much through those two lenses that the definition was developed. As you suggested, there was indeed engagement with stakeholders to try to understand where those needs were. Their input was solicited on how to best define those types of businesses, to arrive at that definition.

As we noted earlier, maybe there are some businesses that have been hard hit that don't fall within the parameters of that definition. That's why the hard-hit businesses program is there, for those that have still been hard hit but that do fall outside the scope of the tourism and hospitality recovery program.

I hope that answers the question.

**Ms. Julie Dzerowicz:** It does, Mr. Baylor. I appreciate that. I also stand corrected. You're absolutely right—I'm just looking at the backgrounder now—that it is the eligibility for the tourism and hospitality and recovery program.

I'm glad we did extensive consultation. Did we also discuss with them the level of support that we were contemplating providing them? The reason for my question is just getting an understanding of...making sure that we tested with them what they felt was the support that they needed in order to continue to survive and thrive as we try to come out of COVID.

This is to you again.

**Mr. Maximilian Baylor:** Yes, my understanding is that this was part of the discussion.

As I mentioned earlier, my colleague Yves Poirier was more involved with the consultation. He can perhaps add to that.

**Mr. Yves Poirier:** As Max was saying, it was partly through engagement with stakeholders, including other departments that might be managing other tourism-related programs, that we came up with the definition. Then in terms of level, we also received input and we took that into consideration when developing the sliding scale for the subsidy rate and what kind of threshold would need to be met to qualify for the measure, recognizing that the intention was to move away from the broad-based support programs we had before to a more targeted approach that would provide more support but to a specific subset of industries.

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

Now we go over to the Bloc and Madame Sinclair-Desgagné.

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** Mr. Chair, you're getting better and better at pronouncing my name. Thank you.

[English]

**The Chair:** I'm doing my best. Thank you so much. Thanks for that encouragement.

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** When I asked questions about the businesses hit hard by the pandemic, I must say that I was a little surprised to hear officials say that the two criteria listed were very clear. Based on the feedback that we've received from businesses, these two criteria may be restrictive.

Consider businesses that are hard hit, but that haven't experienced at least a 50% revenue decline over 12 months, and therefore don't meet the eligibility criteria. Is it possible to show flexibility for either of the two criteria? For example, could the 12-month period be staggered? Could a large enough revenue decline be demonstrated over another period during the pandemic? The second criterion, as I said earlier, is very restrictive. As we know, businesses' revenues fluctuate, especially based on when they receive their supplies, and even more so when there are delays. Could there be some flexibility with respect to at least one of the two eligibility criteria?

• (1640)

[English]

**Mr. Trevor McGowan:** I can speak briefly to the criteria from the legislative side and then let my colleagues join in on the policy side.

For the month-over-month revenue-decline calculation, that has some flexibility in that you can elect to have the current month tested against either the same month in the prior year, or in the January and February period before the pandemic. There's also a deeming rule that lets you have the larger revenue decline for the current period or the prior period, which provides some flexibility in smoothing out different revenue months, and it provides certainty. There are also elections that allow, for example, the cash basis of accounting to be used or the normal accrual basis if you're ordinarily a cash-basis taxpayer, as well as different rules that let you determine revenues if you're part of a group.

So there is some flexibility although it is fundamentally a month-over-month or period-over-period test. One bit of flexibility in terms of the 12-month test—it's not a big thing to highlight but it may be worth mentioning—is that you look at the revenues for the first 13 periods and in order to avoid double counting December over December, there's the flexibility to exclude one of those two months as well, although that's a much smaller thing than the flexibilities I mentioned earlier.

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

We'll be moving to the NDP, Mr. Blaikie, for two and a half minutes.

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

I'm a supporter of the notion of public service. I believe that there is a positive role for the government to play in the economic life of the country. These are all things that I believe in and that I defend.

I have to say that I've been very disheartened by today's interaction with some of our lead civil servants on a really important file. Presumably, this is the table of advisers that the ministers have around them when they're planning important programs.

I've asked for a breakdown of the budget. I don't know if they really don't have that answer or if they're on a mission of obfuscation. If that's true, it certainly doesn't manifest the kind of respect that there ought to be for the legislative branch of government.

If they don't have the answer, then what are we to draw from that? Does this mean that the minister, sitting around the table with her advisers, didn't bother to ask this question, so nobody has created the answer? When we ask about the Canada worker lockdown benefit and if it would apply in any region of the country between October 23 and now, and they don't have the answer, does that mean the minister didn't ask? Does that mean that Minister Qualtrough didn't ask it of this table, didn't say, "Hey guys, we're putting together a piece of legislation and it's retroactive..."? They've emphasized the importance of the retroactivity of the legislation. Did the minister never ask where in the country it would apply retroactively?

Either you have to conclude that our civil servants, who ought to be treating the legislature with respect, aren't being up front about some of these questions, or you have to conclude that the people who are running the country never bothered to ask them. Neither one is a very good outcome for Canadians.

I have to say.... I know that we've been in a rush because the Prime Minister took his sweet time bringing Parliament back, but the departments have been developing this legislation for a while. The ministers have had ample opportunity to ask the questions that have been posed here today. I don't think I've been asking particularly political questions. They're just questions of fact about the bill: How it works, why certain decisions were made to leave certain things out and what the budget breakdown is. But we can't get a straight answer: We've been here for almost four hours and I haven't gotten one thing that I would classify as an answer to a question I've asked, Mr. Chair.

I'm really quite beside myself with displeasure at the way that this has unfolded, and I certainly hope that we're going to get some answers in the rest of our testimony or this really doesn't do much for anyone. I'm hoping that people are going to get their act together and we're actually going to be able to get some answers to questions, because so far this has been a waste of time.

• (1645)

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

We are moving to the Conservatives and Mr. Chambers for five minutes.

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

We have heard a number of the members bring up timing and the need for speed. I have a few questions on timing, if I may.

We knew that the CRB and some of these programs were expiring in the fall. At what point in time—what time of year or what month—did the government start designing these new packages?

**Ms. Catherine Demers:** Maybe I can start, Mr. Chair.

This is work that the department was.... If we recall, there was a possibility under the CRB to extend the benefits, should they be needed, until October, and November 20 was the end date under the legislation. Tracking was undertaken by the department throughout the delivery of the Canada recovery benefit to examine labour market indicators and the evolution and patterns of applications of each benefit in the functions of the state of the labour market, the economy and the pandemic. That has been kind of an ongoing work to do

this tracking, knowing that the benefits were ending by October, which led the government to examine the needs, given the state of the labour market and the pandemic, for future targeted support.

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

Would it be safe to say that the design of these programs occurred in the summer—in June and July—and that the government was thinking about these in June and July?

**Ms. Catherine Demers:** The work, as I was saying, has been linked to the existing Canada recovery benefit, whether there were signs that required, as provided in the legislation, the extension of those benefits until November 20. Those are the benefits I'm referring to.

**Mr. Adam Chambers:** When did the government start drafting the Bill C-2 legislation? What was the approximate date? Was it on or about...? "A week" or "a month" would be fine. Was it last week, two weeks ago, three weeks ago, two months ago?

**Ms. Catherine Demers:** The announcement was made.... I don't know if my colleagues from Finance would like to respond. The announcement was made on October 21 for these additional measures.

**Mr. Adam Chambers:** We're to understand that drafting this really important bill had to wait until an announcement was made on October 21, at which point the government started drafting the legislation. That was post-announcement. Is that correct?

**Ms. Catherine Demers:** I would have to defer to colleagues at the Department of Finance.

**Mr. Trevor McGowan:** I can only speak to part 1 of the bill, as I was involved in the drafting of that. It's been an iterative process, from tabling the first bill, hearing stakeholder responses and then iteratively improving on the programs over the last almost two years.

In terms of the work on Bill C-2, that was going on in concert with the announcements. It's not been days or weeks, I'm sure.

• (1650)

**Mr. Adam Chambers:** What we're really getting at is that we're being asked to fast-track a bill's passage. There was some ongoing work being done over the last two years.

A bill like Bill C-2 requires a significant amount of time, but legislators and departmental officials had to deal with an election, which seems to have delayed the drafting of this bill, or the conclusion of the drafting of this bill. We then had to wait a significant amount of time for it to come back to Parliament to be introduced as new legislation, and now we've been asked, because of the need for haste, to fast-track the bill's passage.

What we're hearing—at least what I'm hearing—is that it was difficult to get this done on time.

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

We are moving to the Liberals and Mr. Baker for five minutes.

**Mr. Yvan Baker:** Thanks very much, Mr. Chair.

I have a few questions for our witnesses, but before I ask them, I just want to address something that was said in the prior interventions, particularly by Mr. Blaikie.

I disagree with the conclusion that Mr. Blaikie drew that, because some of the questions weren't answered today, the minister didn't ask them, or that the people advising the minister weren't capable or qualified to provide excellent advice in the crafting of this legislation.

I don't know what questions the minister asked, and I don't know who was at the table in each of those meetings, of course. It's important for us to consider that it's possible—in fact, I think it's likely—that a lot of these questions and many others that we haven't thought of were asked, and that answers were obtained, but they weren't obtained by the officials who are here on this Zoom meeting with us today. These particular folks don't happen to have that information, or they don't recall it. Alternatively, that information was obtained in part by the witnesses who are at this committee, but they don't have that information at their fingertips today.

I can think of several instances where the officials who are on this call trying to answer the questions have said, “Look I don't have that at my fingertips”, but they've committed to getting back to us with that information.

I just want to make sure that we don't jump to conclusions. It's important that this committee gets the answers to the important questions that need to be asked in moving legislation, but it's important that we do not jump to the conclusion that the folks advising the minister aren't capable, or that the minister's not asking the right questions.

[*Translation*]

I have a question for the Department of Finance officials about the target sectors in this bill, which includes assistance for the tourism sector.

Why is the tourism sector being targeted?

[*English*]

**Mr. Maximilian Baylor:** As I indicated, the tourism and hospitality recovery program is intended to support the tourism and hospitality organizations that have been deeply affected and that continue to struggle through the pandemic. It's an area in particular that continues to be affected by the public health restrictions that we're seeing. It's that sector in particular that is bearing that. When we engaged with stakeholders, we heard that these were the sectors that still needed support. That's why the government has been moving to this more targeted approach as the pandemic evolves, as the economy starts to recover, as the health restrictions start to be dialed back, but you still have sectors that need help. As I said, for the tourism and hospitality sector in particular, if you look through those two lenses, it sort of falls in that area.

Again, that's not to say there aren't other organizations outside of that sector that also continue to struggle because of the pandemic, and that's why the hard-hit businesses' recovery program has also been put in place to provide a sort of more blanket, neutral program that's also available.

• (1655)

[*Translation*]

**Mr. Yvan Baker:** I understand. This bill is about helping the people who need it the most. The list isn't complete, but it includes the people in the tourism sector, the businesses suffering from the largest revenue declines and the people affected by public health measures that prevent them from working and supporting their families.

Thank you for your response, Mr. Baylor.

Mr. Chair, I think that I have only a few seconds left. Is that right?

[*English*]

**The Chair:** You have about 15 seconds.

[*Translation*]

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

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

[*English*]

We are moving to the Conservatives.

Is it Mr. McLean or Mr. Poilievre?

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

Back on the sickness benefit, if in a post-payment verification an official goes to a claimant and asks for a doctor's note and the claimant says they didn't get one, will the claimant have to return the money that they got from the sickness benefit?

**Ms. Catherine Demers:** Thank you for the question.

I will see if my colleague Benoit Cadieux has the answer. Otherwise, we will certainly make sure we obtain an answer from the CRA.

**Mr. Benoit Cadieux:** A claimant that would be unable to provide the requested documentation could be found to be disentitled to the benefits they received.

**Hon. Pierre Poilievre:** They could be.

So if they don't provide the documentation, CRA calls up and says, "You could be disentitled." Then the claimant says, "Okay. Am I?" And they say, "Well, you could be."

**Mr. Benoit Cadieux:** The act does provide the authority to CRA to disentitle claimants if they don't provide the requested documentation or requested information.

**Hon. Pierre Poilievre:** Is there a list of documentation that is required to prove that someone is sick?

**Mr. Benoit Cadieux:** There is no list. CRA does have the flexibility to request any type of documentation that they feel would—

**Hon. Pierre Poilievre:** If the claimant says, "Look, no one told me I had to get a doctor's note, and now I'm no longer sick. I was sick when I got the benefit", then what will CRA then do?

**Mr. Benoit Cadieux:** As I said, CRA does have the authority to ask for any type of document. It could be the proof that they were tested for COVID-19. It could be an email from the employer saying that they came into contact with somebody at work and needed to isolate. It could be from the school saying that the school was closed so they have to stay home with their child. It could be any type of documentation.

**Hon. Pierre Poilievre:** Must the sickness in question be COVID-19, or could they be sick with something else to get the benefit?

**Mr. Benoit Cadieux:** If they are sick, it has to be COVID-19, but it could also be symptoms similar to those of COVID-19 and the person is thus asked to isolate, yes.

**Hon. Pierre Poilievre:** So they would have to provide some documentation to show that they were asked to self-isolate.

**Mr. Benoit Cadieux:** Correct.

**Hon. Pierre Poilievre:** On the caregiving benefit, what documentation would a claimant have to provide to prove that a family member was in need of care?

**Mr. Benoit Cadieux:** Again, it could be an email from the school indicating that a particular class cannot attend the school because of a case of COVID-19 in the classroom. It could be a day care closure, with an email to parents saying that the day care has to close and therefore the child cannot attend. It could be a facility that a family member was attending.

**Hon. Pierre Poilievre:** Right.

**Mr. Benoit Cadieux:** You know what I'm saying; yes.

• (1700)

**Hon. Pierre Poilievre:** That benefit extends over 40 weeks, right?

**Mr. Benoit Cadieux:** For the Canada recovery caregiving benefit, yes, it's 42 weeks.

**Hon. Pierre Poilievre:** Schools don't typically close, or at least we don't expect schools to be closed, for over 40 weeks. If they close because of an outbreak, it's usually for a couple of weeks, and yet the benefit goes for almost a year. Why is that?

**Mr. Benoit Cadieux:** Don't forget that the benefit also applies for children who could be attending day cares. We have seen cases where day cares have been unable to open at all because of reduced demand for caregiving spaces.

**Hon. Pierre Poilievre:** What do you mean by "because of a reduced demand for caregiving spaces"?

**Mr. Benoit Cadieux:** With parents working from home, some parents may choose to keep their child at home and therefore not request the caregiving spaces they used to. Because of that, day cares may not feel the need...or have the capacity to be able to open and operate.

**Hon. Pierre Poilievre:** So you're saying that there are day cares closing because there's not enough demand for them.

**Mr. Benoit Cadieux:** I'm just highlighting a hypothetical situation. I'm not basing this on any evidence. I'm just pointing to a potential case where a day care that used to be available cannot open

for whatever reason. There could be a lockdown in a region. There could be a number of reasons.

**The Chair:** Mr. Poilievre, we are moving to the Liberals.

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

**The Chair:** Madame Chatel, you have five minutes.

[*Translation*]

**Mrs. Sophie Chatel:** Thank you, Mr. Chair.

As my colleague pointed out, it should be noted that the officials working on Bill C-2 are working very hard and are available to answer our questions.

For example, some important questions were asked that aren't exactly related to Bill C-2, but that are nonetheless quite relevant, such as Mr. Blaikie's question about how the provinces will deal with the bill. Some questions were also not related to the Department of Finance, as my colleague Mr. Stewart said earlier. I'm thinking of the cost of running these programs, for example. Mr. Poilievre also asked about the future audits.

As a new committee member, I learned about the procedures that could help my colleagues obtain specific answers to their questions. I learned that questions beyond the scope of the discussion can be submitted in writing in advance. This makes it easier for officials to do their job. That's what I did last night. I sent in a question. I would encourage you to follow that procedure, Mr. Blaikie.

Ms. Demers, I want to ask you about workers who may have to repay benefits if, for whatever reason, they were deemed ineligible. I'd like to know the repayment strategy. This matter concerns part 2 of the bill.

Is there a strategy to ensure, as we've seen in the past, that taxpayers don't need to pay back the benefits received?

**Ms. Catherine Demers:** Thank you for the question.

Strategies and a specific approach are being used to implement the follow-up measures announced and planned from the outset, given the urgent need to take action. These benefits were put in place and provided in a very specific context, with the knowledge that the government would need to conduct the necessary follow-ups and auditing when overpayments occur.

A whole process is in place, and it falls under the responsibility of the Canada Revenue Agency. I won't answer for the agency, because this process really falls under its area of expertise and responsibility. However, I'll say that a whole process exists that obviously takes into account the ability to pay.

• (1705)

**Mrs. Sophie Chatel:** Thank you.

Ms. Demers, I have a second question for you.

In the past, there have been issues with the payment of benefits. The payment of some of these benefits has affected other benefits received by fairly vulnerable groups. The example of the guaranteed income supplement was provided.



How does Bill C-2 address these issues so as to avoid what we've seen in the past with other benefits?

**Ms. Catherine Demers:** The issue of how this affects other benefits goes beyond what's proposed and introduced in the bill. I won't delve into that, because it isn't my responsibility.

With the introduction of the new Canada worker lockdown benefit and the extension of existing benefits, the eligibility criteria have been strengthened. The criteria help verify the income required to qualify or whether a worker can access the benefit.

These measures are in place. Additional criteria will be applied to verify eligibility in advance in terms of sources of income; place of employment, which must be in an area with a lockdown order; and the minimum income required in relation to income that—

[*English*]

**The Chair:** Thank you, Madame Chatel.

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

That threw me off. I'm going to practise all night.

[*Translation*]

**Ms. Nathalie Sinclair-Desgagné:** Mr. Chair, you'll have the opportunity to practice pronouncing my name since the committee is meeting several times this week.

I'll continue along the same lines as my previous questions and the questions asked by my colleague, Mr. Baker.

It appears that the Department of Finance based its selection criteria mainly on the fact that health measures were in place and that the tourism and hospitality sector was particularly affected.

Are there any other figures? Has the department collected figures from businesses or sectors affected by the pandemic in the same way as the tourism and hospitality sector? Has any other information been used in addition to data on health measures?

**Mr. Yves Poirier:** Thank you for the question.

I'll respond first. My colleague, Mr. Baylor, can elaborate if he wants.

I said earlier that we know that businesses in all sectors of the economy are facing significant challenges. This is reflected in the claims data for the wage and rent subsidy programs. All sectors of the economy are making, and will continue to make, claims through these two programs.

**Ms. Nathalie Sinclair-Desgagné:** That's fine.

I understand that other sectors are also very affected, and that other criteria and numbers have been compiled.

Has any consideration been given to the fact that supply chains are completely blocked and that some sectors, particularly the manufacturing sector, have issues as serious as issues in the tourism and hospitality sector?

**Mr. Yves Poirier:** I think so. This is reflected in the fact that both programs apply to all sectors of the industry.

As my colleague, Mr. Baylor, said earlier, there was a certain presumption that the tourism sector was particularly affected by the health and travel restrictions. The plan to target that particular sector was announced in the press release. This somewhat reflects the duality of the two programs.

• (1710)

**The Chair:** Thank you, Ms. Sinclair-Desgagné.

[*English*]

We'll move to the NDP and Mr. Blaikie.

[*Translation*]

**Mr. Daniel Blaikie:** We know that many self-employed people work in the tourism and hospitality sectors, as well as in the cultural sector. Why did the government decide not to set up a program like the Canada emergency response benefit, or CERB, to give them financial support?

**Ms. Catherine Demers:** Mr. Chair, I can provide the first part of the response. My colleagues at the Department of Finance may want to elaborate.

In this case, as has been discussed, these very targeted benefits apply to one-time lockdown situations and can absolutely apply to self-employed people. This helps extend access to supports for these workers who wouldn't necessarily have access to other income supports should they face a significant loss of income or need to stop working.

Other work under way involves consultations and analyses to find solutions to help self-employed people. In terms of employment insurance, for example, commitments have been made. This plays an integral role in the consultations. However, this goes beyond the scope of today's discussion. I'm simply saying that other work is being done in addition to the work being presented.

**Mr. Daniel Blaikie:** Okay, but the government itself acknowledges that an issue exists in the tourism and hospitality sectors, as well as in the cultural sector. It acknowledges that these sectors are not yet where they were before the pandemic and that they need targeted assistance.

How can employees need help, but self-employed people in the same sectors don't need the same help? It doesn't make sense.

[*English*]

**The Chair:** Thank you, Monsieur Blaikie.

We are now moving to the Conservatives and Mr. Stewart for five minutes.

Oh, is it Mr. McLean?

**Mr. Greg McLean:** Yes.

**The Chair:** It's Mr. McLean for five minutes.

**Mr. Greg McLean:** That's okay. Thank you.

One of the notes in the documents here, which is quite clear, is that we're extending the Canada Recovery Benefits Act for two years—that is, for payments to come out of this for two years—until 2026. We're extending the benefit programs by seven months, and we're extending the benefit period to pay it out by two years. Can somebody please explain the rationale to me?

**Mr. Benoit Cadieux:** I can answer the question, Catherine, if you want.

The extension from, I believe, the end of March 2024 to the end of March 2026 is to allow for any activity with respect to the administration of the act. So, it could be post-verification activities; it could be activities that are taking place many years down the road to reconcile payments, including recovery activities, etc., done by CRA to administer this act. It's really to allow more time for those activities to take place. With the extension of the benefits, it was recognized that additional time would be beneficial, and that's why that end date is being extended.

**Mr. Greg McLean:** I appreciate that you would have to extend by seven months what you foresaw previously. I don't understand why all the programming that had to go out in the period, spanning an extra three years post-benefit the last time, has to be extended by another two years when you're extending the benefit coverage periods by only seven months.

I don't get clarity in your answer there. It just seems like it's a rationale, so I'm going to follow along the lines of where my colleague took us earlier. At what point in time here did this become something that you, the department, were seized with? Was this given to you as far as a project goes, a slush fund, if you will, which is what this seems to be to me now? There are no parameters around how it's paid and when it's paid definitionally, and even the extension of the time period here seems rather egregious.

Rationale matters in a bill such as this. We are putting you to the test of justifying the numbers, the definitions and, of course, the timelines for this programming, none of which have been provided here. Please tell us how you got to where you are as far as this draft goes, because it doesn't seem like it follows a logical pattern.

• (1715)

**Ms. Catherine Demers:** Thanks, Mr. Chair. I can respond with respect to part 2 and part 3.

This suite of measures that are proposed here is very much proposed in the context of understanding where we were in September with the ending of the recovery benefits, which were really meant for a specific purpose, that of addressing the slowdown of the economy as a result of the COVID-19 crisis and the massive loss of employment that happened as a result. The benefits were there for a specific reason, a specific time, to support those workers impacted economically by the pandemic.

What is proposed here in terms of supports for workers is really looking at the transition from a situation where it's having to address mass layoffs, which we're no longer in, but a situation where you could still have pockets in communities across the country,

such as, for example, pockets where workers are indeed still in a situation where there's a lockdown and there are restrictions impacting their work.

**Mr. Greg McLean:** Mr. Chair, I appreciate the intent. What I'm looking at here in my first question was that suddenly we're extending these benefits for two years past where they were before. Somehow I'm getting no clarity on the rationale for how we arrived at this. A lot of these things, definitionally and monetarily, are just a piggy bank and just saying, "Here's a blank cheque, so go out and deliver." Please, show me something where that perception isn't spot-on.

**The Chair:** That is the time, Mr. McLean. Thank you.

We're moving to the Liberals and Mr. MacDonald for five minutes.

This will be the end of our fourth round. I am looking to members to think about whether we want to go into a fifth round. It will be a truncated fifth round.

You have the floor right now, Mr. MacDonald, for five minutes.

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

Chair, in thinking back over a time period of COVID-19 and how government responded so quickly in such an unprecedented, difficult time, there was no plan in place. There was no rule book. There was an expedition to make sure that people had a safe place to lay their heads down at night and to have food on their table in the morning, and I think the government and the individuals represented here today deserve credit for that.

Have we learned something, Chair, over that time period? Of course we have, but has it evolved and has it been ever-changing as we go forward? It certainly has. Take the tourism industry in Prince Edward Island. It's almost 7% of our GDP, so it's extremely important for us to ensure that this bill gets the attention it does and that it does not fall by the wayside of bureaucratic process and concern.

Here's what I will ask. Many small tourism and hospitality businesses in P.E.I. did not initially qualify, whether it was due to low revenue or seasonality. What changes have been made to this program to ensure that they don't fall through the cracks?

• (1720)

**Mr. Trevor McGowan:** As I understand the question, it relates to tourism-related businesses that are seasonal and what protections are available under the measures in part 1 of the bill in order to reflect [*Technical difficulty—Editor*]

Since we're starting with the tourism and hospitality recovery program, I would note that the 12-month revenue-decline test looks to the months during which the business was ordinarily in operation. If you have a seasonal tourism business that is not typically in operation for the entire year, then you'd look only to the months of the year during which it was being run. That provides a truer picture of the yearly income of that business.

Of course there are the existing rules under the wage and rent subsidy programs that the tourism and hospitality program is based upon, whereby entities are free to elect alternative reference periods for their month-over-month revenue declines. They also have the month-to-month deeming rule that can allow them to smooth out some of the revenue declines.

These taken together provide some flexibility for these seasonal businesses, including the tourism and hospitality area.

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

I'm just curious. What public health considerations went into the development of this legislation?

**Mr. Trevor McGowan:** Well, I can speak to some of the measures in part 1 of the bill, in particular the local lockdown program, which are intended to respond and provide a higher level of subsidization where entities are subject to a lockdown. Those could even extend to the wage subsidy, whereas lockdown support was previously provided only in respect of the rent program, which was based upon a physical location being locked down.

You've seen an extension in this bill of the response to lockdowns to go beyond rental payments made where a physical location is locked down to an entity itself, so a corporation or even an individual, sole proprietors, or businesses subject to lockdown orders. There's an expansion responding to public health orders designed to protect people in that, as well, beyond the rent subsidy.

**Mr. Heath MacDonald:** Just on another note, we have a lot of temporary foreign workers on Prince Edward Island. Do the owners of those businesses the temporary foreign workers work for have access to these programs?

**Mr. Trevor McGowan:** There are requirements for the work to be in Canada, and of course for the wage subsidy there would be a requirement that wages be paid under an employee-employer relationship. In addition, under the rent subsidy it would be possible for a business that uses temporary foreign labour to obtain rent subsidies. That could extend to mortgage costs and property taxes as well.

**The Chair:** Thank you, Mr. MacDonald and Mr. McGowan.

Now we have concluded our fourth round. As we look at going into a fifth round, I have a friendly request from our member Monsieur Ste-Marie that we tack onto this round the 10 minutes we lost this morning with the officials due to rebooting our phones. I'll look to members to see if they're okay with it.

**Some hon. members:** Agreed.

**The Chair:** Yes, so we will move into a fifth round.

We will commence with the Conservatives for five minutes. Who will be...?

Mr. Stewart, go ahead. I'm sorry I caught you off guard.

**Mr. Jake Stewart:** I'm sorry, Mr. Chair. That's okay.

A lot of good questions were asked today. I think they're all equally important, but earlier I asked how much it's going to cost to administer this program, a \$7.4 billion suite of funds that are going to be doled out. I asked how much it would cost to administer it and

I never got an answer. I wonder if, in that time, somebody has done the due diligence and found that answer. Any witness can feel free to answer that question.

• (1725)

**Mr. Maximilian Baylor:** As I indicated, we committed to try to provide the answer as a follow-up, along with the other answers.

**Mr. Jake Stewart:** For clarification, there was another question I asked at that time, whether the amount to administer.... Actually, let me ask this question: Is there an extra cost associated with doling out \$7.4 billion?

**Mr. Maximilian Baylor:** My understanding is that it's part of the \$7.4 billion, but that needs to be confirmed and would be confirmed when the answer is provided.

**Mr. Jake Stewart:** My question is whether there is actually an added cost. You have clarified twice now that the cost is within it, but I'm still trying to figure out why witnesses would show up here today without that very important information.

You want us to shovel through \$7.4 billion. Basically, anybody in Canada could claim that they were sick and not be sick, and achieve the benefit, with little to nothing from a doctor. I'm just shocked that we don't have an answer to that.

Another question I have is if this will negatively impact other programs and the delivery of those programs, considering the magnitude of the \$7.4 billion.

**Ms. Catherine Demers:** Maybe I can respond, if that's okay, to the questions related to costing for the Canada recovery sickness benefit. It is in a different situation from the Canada worker lockdown benefit in terms of the estimated costs. For the sickness and caregiving benefits, we are estimating a total of \$1.8 billion in benefits to be paid to a total of 890,000 potential individual claimants.

Those are the cost estimates. They are estimates, because it really depends on the intake for the benefit, should it be needed, because of closures of schools and institutions and a rise in COVID cases. For the Canada worker lockdown benefit, it's really important to understand that the costing is directly dependent on the triggering of those benefits in designated regions. Should there be designated lockdown regions where workers would need the benefit, when those situations occur, the cost would then depend on the length and the scope of the lockdown in the community.

As we move forward, we will be in a better position to provide those projections and to report on those costing estimates for the lockdown benefit.

**Mr. Jake Stewart:** I appreciate that answer. Hopefully, tomorrow we'll have some answers on the total cost to administer the program. I'm looking forward to it.

Those are all of my questions for now.

Thank you, Mr. Chair.

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

We're moving to the Liberals and Ms. Dzerowicz.

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

I don't know if there are any officials available to respond to this, but I want to ask about the section around the amendments to the Income Tax Act and the COVID business supports. We talk about enhancing and extending the Canada recovery hiring program, which I'm excited about. As a replacement for the wage subsidy, this has been very helpful to employers.

I wonder if there's anyone who is joining us today from Finance who's able to respond about the take-up of the Canada recovery hiring program. How has it been helpful in ensuring that businesses are able to hire the workers that they need in order to continue to succeed as businesses?

• (1730)

**Mr. Maximilian Baylor:** Maybe I can answer that one. Indeed, with regard to the intent, we've talked a lot about the pivoting and moving to the more restrained support programs, which are for the tourism and hospitality and hard-hit businesses. But also the notion is, as you rightly point out, that a lot of the businesses are recovering, but not all of them are recovering in the same way. The Canada recovery hiring program allows for those who are recovering and starting to rehire, but maybe not all the way back, who still have revenue losses vis-à-vis where they were pre-pandemic, to get a subsidy to hire workers more or less—and I'm going to generalize here—at the levels at which they were at the time of the budget. That program is now being extended. The idea there, of course, is that those businesses that have started to recover but that don't need the support they were getting previously can continue to get a subsidy.

Now in terms of the take-up numbers for that program, as you know for both the wage subsidy and the rent subsidy the CRA provides very detailed tracking on their website on the number of claims and on the number of applicants and whatnot. That information is publicly available. The intent is to do the same thing with the Canada recovery program once all of that data is available and can be put up, so that will be available once—

**Ms. Julie Dzerowicz:** If I can ask a follow-up question, is this program available only to those in the tourism and hospitality industry or the hardest hit industry or is it open to any employer? Can you just confirm that?

**Mr. Maximilian Baylor:** That is correct. My colleague Yves Poirier can maybe add to that, but yes, that's—

**Ms. Julie Dzerowicz:** No, that's okay. A simple yes or no is good. I'm good on that.

Also, it says here that it's available for all eligible employers with a current revenue loss above 10%. Has that changed from before? Is that consistent with the program that had been introduced previously and we're just extending the availability of this program?

**Mr. Maximilian Baylor:** Again, I think Mr. Poirier could confirm, but, yes, that is my understanding.

**Ms. Julie Dzerowicz:** Okay, that's excellent.

Well, that's great. I know it's been helpful to a lot of businesses in Davenport and I think it will continue to be very helpful.

How many minutes do I have left?

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

**Ms. Julie Dzerowicz:** Maybe in my 40 seconds, I can ask about the recovery benefit.

For the sickness benefit as well as the caretaking benefit, I know we're extending those by two weeks. I wouldn't mind understanding the rationale for why it is not three weeks or one week. It's just to understand the rationale for landing on the two weeks. That would be helpful to know.

Thank you.

**Ms. Catherine Demers:** For the additional weeks, we have looked at a number of factors. These benefits have been available since September 25, 2020. A number of Canadians have for good reason needed that support and have reached the maximum number of weeks that were available under those benefits. Not a very high percentage have exhausted it, but still it's to make it available to them.

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

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

• (1735)

[Translation]

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

I don't have much time left, but I'd like a specific answer from our colleagues at the Department of Finance.

Inflation isn't the only global issue. Supply chains are also a problem. There have been plant closures and declines in production, particularly in the manufacturing sector. There have also been shipping challenges. Again, many businesses are suffering as much as the tourism and hospitality sector as a result of the pandemic.

Is it conceivable that sectors that meet the criteria, such as a 40% revenue decline, will have access to government assistance? Is it conceivable that the manufacturing sector could benefit from the same conditions that apply to the tourism and hospitality sector?

I hope that the answer is yes.

**Mr. Maximilian Baylor:** I'll try to answer the question.

The tourism and hospitality recovery program includes a definition of the type of eligible businesses. The businesses that don't fall under this definition will need to use the hardest-hit business recovery program.

**Ms. Nathalie Sinclair-Desgagné:** I gather that, although the businesses are suffering as much as the businesses in the tourism and hospitality sector, they aren't entitled to the same eligibility requirements for government assistance.

**Mr. Maximilian Baylor:** As noted earlier, this is the case if they don't fall under the definition for the program. However, in the case of a local lockdown, these businesses will be eligible for the same conditions and they can receive the same type of assistance.

**Ms. Nathalie Sinclair-Desgagné:** I understand. Thank you.

[*English*]

**The Chair:** Thank you.

We're moving now to the NDP. Mr. Blaikie, you have two and a half minutes.

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

One of the big problems for a lot of the seniors who are guaranteed income supplement recipients and who did work, according to the rules of the program to top up their income, is that CERB payments that they received are now being clawed back, effectively, by reducing their guaranteed income supplement. This is also happening to low-income families on the Canada child benefit, who have, likewise, seen their pandemic benefit payments clawed back through the CCB program this year.

I'm wondering if the government has taken any measures in the act to avoid this happening again by stipulating in the legislation, for instance, that Canada worker lockdown benefit income will not be included in the eligibility calculation for income-tested programs, like the guaranteed income supplement and the Canada child benefit.

**Ms. Catherine Demers:** Representing ESDC, what I can say, Mr. Blaikie, is that I can return with these questions to colleagues in my department who are responsible for those programs. This is not an area that is under my purview, but I can say that there is work under way and that we can provide a follow-up response.

**Mr. Daniel Blaikie:** There's nothing in the bill that addresses this issue. Is that a fair assessment?

**Ms. Catherine Demers:** With respect to supports for workers, we've talked about some of the integrity measures that are—

**Mr. Daniel Blaikie:** This means there's nothing in the bill that would ensure that payments under the Canada worker lockdown benefit are not included in income eligibility calculations for the GIS and Canada child benefit, or other income-tested programs of the federal government.

**Ms. Catherine Demers:** I believe there is nothing in the bill.

**Mr. Trevor McGowan:** I can confirm there is nothing in part 1 of the bill that relates to that.

**Mr. Daniel Blaikie:** Thank you for a clear answer. I appreciate it. I am disappointed that, given the fact it's been an issue for months now and the government says they're working on a solution, there is no solution in the bill.

I take it to mean that the solution for this is possible without any legislation. The government could actually do this by regulation. Is that also fair?

• (1740)

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

Now we're moving to the Conservatives. Mr. Chambers, you have five minutes.

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

We talked a little bit about.... I had the opportunity to ask a little bit about procedure and process. I would like to confirm, to make sure that I understand this correctly, whether we learned any lessons that resulted procedural changes in the process for dispensing funds to applicants between the earlier program supports and this support.

Have we made any procedure changes based on anything that we learned?

**Mr. Trevor McGowan:** I can speak to the COVID measures in part 1 of the bill, the wage subsidy and rent subsidy. As I noted earlier, there have been a number of iterative changes improving the programs. One of them was procedural in terms of applicants, namely, the measures that would provide a clear process for objection and the determination of an amount of an entitlement from an applicant for the wage or rent subsidies under the Income Tax Act. They can make an application, get a decision from the Canada Revenue Agency and then have a clear process for redress instead of, for example, launching a judicial review.

That's something that we've heard has been helpful for both taxpayers and the Canada Revenue Agency in preparing a clear process to help ensure that the rights of appeal are clear and followed.

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

With respect to the effectiveness of some programs, we and this committee obviously would like to make sure that the programs that it recommends or blesses in legislation are effective. I think it is helpful to consider how effective existing programs have been in supporting those affected. I assume that we might not have this stat here today, but I'll ask the question anyway, and if it is unavailable, I would ask that it be provided with the other documents and information requested.

Can we have an update on the uptake of the Canada recovery hiring program? That is, how many applications have been made and how many people has that helped? That would be very helpful in understanding how effective some of these programs have been.

**Mr. Maximilian Baylor:** Just quickly, I'll note, as I indicated in a previous answer, that the Canada Revenue Agency has released numbers on their website for the wage subsidy and the rent subsidy. That's available. I understand that the intent is to be doing the same for the hiring program when that's available, which I believe is the one you're asking about, if I understand correctly.

**Mr. Adam Chambers:** That's correct. I certainly appreciate that the difficulty sometimes is to get the information; however, we're being asked to approve some additional measures to help people. I think it would be very helpful for the members of the committee to understand how effective some of the current programs are before we recommend additional programs. With our responsibility to consider how effective future spending might be, I hope that information would be made available in short order to this committee and to these members.

We can add that to the list of the requests for information, Mr. Chair. I certainly hope that if that information exists it would be made available forthwith.

Thank you very much.

**The Chair:** Thank you.

Now we are moving to our last questioner for the fifth round. This is also going to conclude this third meeting.

Mr. Baker, you're up.

**Mr. Yvan Baker:** Thank you, Mr. Chair. I'm honoured.

[*Translation*]

I have a few questions about the criteria that businesses must meet to receive the assistance.

The bill proposes several programs. For most of the programs, the eligibility of businesses depends on the calculation that they must have lost, for example, 40% or 50% of their revenue.

What approach did you use to determine the appropriate percentage of revenue decline?

• (1745)

**Mr. Maximilian Baylor:** As said earlier, the idea behind these programs was to target the hardest-hit businesses and organizations at this point in the pandemic. That's why dates were set.

The first criterion for determining whether businesses were hit hard during the pandemic is the 12-month period. The average must be established for the first 12 months. As you said, businesses must have had a 40% revenue decline to qualify for the tourism and hospitality recovery program. To qualify for the hardest-hit business recovery program, they must have had a 50% revenue decline during that period.

Second, it's necessary to ensure that the businesses still need assistance, that it's still the case. The criteria are similar. The businesses must have had 40% and 50% revenue declines, respectively, in the current month. In terms of establishing these thresholds, there was talk of working with stakeholders to establish the criteria to define a hard-hit business. It's necessary to establish a balance in

terms of the assistance provided and to target the businesses most in need and hit the hardest.

There was also talk of the Canada recovery hiring program. This program is for businesses that are recovering but that aren't quite back to pre-pandemic levels. In this case, there's a hiring subsidy. We're talking about a threshold of less than 10% to start receiving the subsidy. The threshold is lower in this case to encourage businesses that are currently recovering.

I hope that this answers the question.

**Mr. Yvan Baker:** Yes. Thank you.

Mr. Chair, how much time do I have left?

[*English*]

**The Chair:** You have a minute and a half.

[*Translation*]

**Mr. Yvan Baker:** Okay.

I gather that the goal is to target the hardest-hit businesses. Obviously, there's specific support for the tourism sector, which is being hit hard by the pandemic. There are also assistance programs for the hardest-hit businesses in all sectors of the economy. These businesses can receive assistance even if they aren't in the tourism sector. I'm asking this question because earlier we had a conversation about assistance for businesses outside the tourism sector.

I understand from your response that this assistance will be made available to businesses through the program outlined in the bill. Is that right?

**Mr. Maximilian Baylor:** This is the case if the businesses are eligible for the hardest-hit business recovery program or the Canada recovery hiring program.

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

[*English*]

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

That does conclude our fifth round of questions.

On behalf of this committee, I want to thank the officials for coming before us, for answering many of the questions, and also for their commitment to getting us some of the information that has been requested. We thank you for that.

Members, I want to let you know that tomorrow, in our fourth meeting, we will be looking at having stakeholders come before us in the afternoon, and then the minister on Thursday morning.

On that, shall we adjourn?

The meeting is adjourned.









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