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Chair: Mr. Peter Fonseca



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• (1610)

[English]

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

Welcome to meeting number four of the House of Commons Standing Committee on Finance. Pursuant to the House of Commons order of reference adopted on December 2, 2021, the committee is meeting 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, 2021. Members are attending in person in the room and remotely using the Zoom application. The proceedings will be made available via the House of Commons website. Just so that you are aware, the webcast will always show the person speaking rather than the entirety of the committee.

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

I'd like to take this opportunity to remind all participants of 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 on October 19, 2021, to remain healthy and safe, all those attending the meeting in person are to maintain a two-metre physical distance. Everyone 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 room entrance. As the chair, I will be enforcing these measures for the duration of the meeting, and I thank members in advance for their co-operation.

To ensure an orderly meeting, I'd like to outline a few rules to follow. 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 “floor”, “English” or “French”. If interpretation is lost, please inform me immediately. We will ensure that 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 to alert the chair. Members participating in person should proceed as they usually would when the whole committee is meeting 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're not speaking, your mike should be on mute. All comments by members and witnesses should be addressed through the chair.

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

Witnesses and members, this is the tool I use so that you will know when your time is coming up. I'll give you a marker, this 30-second note, which everybody will have. It just keeps everybody on track.

Witnesses, you will have the opportunity to make your opening statements for five minutes.

Members, as we get into the questions, if you can pose your questions to whichever witness you would like to answer them, that may make things more efficient and help us through the meeting.

We have a number of witnesses before us today.

From Campaign 2000, we have Leila Sarangi, national director.

From the Canadian Chamber of Commerce, we have Mark Agnew, senior vice-president of policy and government relations, and Alla Drigola Birk, director of parliamentary affairs and small and medium enterprise policy.

From the Financial Transactions and Reports Analysis Centre of Canada, we have Barry MacKillop, deputy director of intelligence, and Dan Lambert, assistant director, intelligence operations.

From the Fondation des artistes, we have Michel Laperrière, president.

Finally, from the Tourism Industry Association of Canada, we have Beth Potter, president of the association.

We will go in the order I followed in the list, starting with Campaign 2000's Leila Sarangi for five minutes.

Go ahead, please.

Ms. Leila Sarangi (National Director, Campaign 2000): Good afternoon, members of the finance committee. Thank you for inviting me to present today.

As was mentioned, my name is Leila Sarangi. I am the national director of Campaign 2000, a pan-Canadian coalition of over 120 organizations working to end child and family poverty. We take our name from the unanimous federal resolution to end child poverty by the year 2000.

For 30 years we have been monitoring progress toward this promise and putting forward achievable recommendations. We have said for many years that poverty is not inevitable but that it is a choice that is made when policies that keep people poor are implemented.

Unfortunately, we believe that people in need will be left out of the emergency measures before you. Campaign 2000 has been hearing from member organizations as well as people living in poverty who have been impacted. We have been working with them to develop recommendations, which I am pleased to share with you today.

There are three recommendations that I will focus on, and they include CERB repayment amnesty, bolstering the Canada child benefit and making it more accessible, and providing an income benefit eligibility and distribution system for people who are outside of the personal income tax system.

We have many more urgent recommendations. We have outlined them in our national report card, which was released a couple of weeks ago, on November 24, and shared with all of your offices. They include addressing growing inequality; providing income support; creating a \$0-to-\$10-per-day child care model that meets the needs of low-income families and is secured in legislation; and creating decent work, housing and health care.

Before I get further into my recommendations, I'll quickly set the context as we know it.

We used the latest tax filer data available and found that despite federal promises, strategies and programs like the Canada child benefit, more than 1,313,000 children are living in poverty in Canada. That's 17.7% of all children, but those rates skyrocket for indigenous, racialized or immigrant children, children with disabilities, and children in lone-mother-led families because of the systemic barriers they face.

In our year-over-year analysis we found that only an additional 24,000 children were lifted out of poverty according to the low-income measure, and that at this rate it would take the federal government an additional 54 years to meet its goal to eradicate child poverty.

A riding-level analysis shows significant rates of child poverty in every single riding across the country. Children are also living in

deeper poverty, with the average single mother's income being \$13,000 away from the low-income measure, and the inequality gap is widening.

The top 10% of families own as great a share of the income as the bottom 50% do. It is these individuals and families who have been disproportionately impacted by the pandemic and the related economic fallout, and there is an opportunity before you to start closing the gaps in our support systems that these folks have been falling through.

Our first recommendation is a CERB repayment amnesty for all low-income people. For us this means the following: Immediately cease pursuing repayment for the CERB and ensure no repayment is sought for the CRB, the Canada recovery benefit, from low-income people.

The CRA is getting ready to send their letters out right now, as they did last December, and we believe this should not happen. Immediately cease treating CERB and recovery benefits as taxable income. This is why they have been interacting with other low-income benefits. Refund all clawed-back benefit amounts and enact legislation to ensure that there will be no future pandemic benefit-related clawbacks for income programs including social assistance, rent subsidies and federal benefits.

Your government has encouraged the provinces and territories not to claw back federal pandemic benefits, but it is doing essentially the same thing with GIS and CCB reductions. Immediately reinstate the CRB at the full amount of \$500 weekly until employment insurance is reformed.

Second, the Canada child benefit is known to have substantial positive effects for children in poverty who can access it. Our recommendations there include investing in the base amount so that it reaches those families in deep poverty and extends the pandemic top-ups to all children under 18.

Repeal the section of the Income Tax Act that arbitrarily ties eligibility to caregivers' immigration status. They are considered residents by the Income Tax Act. They pay into the income tax system and often have Canadian-born children.

Remove bureaucratic barriers to prove eligibility for families that are in informal and kinship care arrangements.

Last, there are many people who don't file taxes. They are often low-income, precariously housed, underbanked or unbanked.

• (1615)

In other jurisdictions across the world, there are income security programs that are supported by governments and delivered through trusted charities in communities. There's a large one in South America called Bolsa Familia. These mechanisms are in place informally through our networks here across the country, and the federal government should look to formalizing and investing in them.

This kind of holistic approach that is aimed at closing gaps in our society in a time of emergency will make sure no one is left behind.

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

Now we're moving to the Canadian Chamber of Commerce. We have Mark Agnew and Alla Drigola Birk. Either of you can take the time, or you can split the time, but you have five minutes.

Mr. Mark Agnew (Senior Vice-President, Policy and Government Relations, Canadian Chamber of Commerce): Thank you, Mr. Chair. We'll be splitting our time this afternoon.

Mr. Chair and honourable members, thank you for the opportunity to speak to Bill C-2. It's great to be back at parliamentary committees, albeit still in a virtual form. I'd just say congratulations to this committee for being first out of the gate in terms of various committees with work under way on the House side.

Many of you will be familiar with the Canadian Chamber of Commerce, Canada's largest business association. We look forward to working with all of you throughout this upcoming parliamentary session. My colleague Alla will speak in a moment about some of the specifics of Bill C-2.

However, at the top of the presentation —

Ms. Julie Dzerowicz (Davenport, Lib.): On a point of order, Mr. Chair, I'm sorry, but the bells are ringing. I think we need unanimous consent just to continue, which I'd be happy to give.

The Chair: How long have the bells been...? I'm sorry, but I didn't hear them go off.

Ms. Julie Dzerowicz: I think we have 24 minutes left, or something like that.

The Chair: Okay. We'll look for unanimous consent to keep going till we get to about five minutes before the vote time, and then we'll go up.

Some hon. members: Agreed.

The Chair: It looks as though we have unanimous consent.

Mr. Agnew, you can continue.

• (1620)

Mr. Mark Agnew: Thank you.

At the top of our presentation I certainly want to urge passage of Bill C-2. I think it's important to say a brief word to situate how we see this bill in the context of the Canadian economy, particularly with the fall economic statement coming next week.

Businesses have repeatedly made clear to us that compounding additional uncertainty and burdens on their competitiveness is not an option. Just to name two of the challenges we've heard about in companies, there is the continuing application of the automatic es-

calator on excise taxes for alcohol products, as well as retroactively applied digital services taxes which would scope in Canadian companies and risk retaliation from the United States. There are many, many challenges I could go on about, but certainly, in a period of economic uncertainty, we are also seeing a very fragile recovery for our members.

Although the macroeconomic job numbers are positive, with employment at 186,000 jobs higher last month than it was pre-pandemic, there's certainly a lot of work to be done. Accommodation and food services employment is still at 16% below its pre-pandemic levels, or roughly 200,000 jobs, according to Statistics Canada's November labour force survey data.

The last piece of context that I think is particularly germane to the discussion about the hardest-hit sectors and the travel and hospitality industries is the public health restrictions that are still being imposed upon these businesses. Provincial rules continue to constrain the capacity of businesses to operate, and certainly no company opened with success predicated on operating at only half capacity. As for tourism, certainly no operator in any of your constituencies would have opened with an assumption for success based on not being able to access foreign tourists as part of their business model.

Canadians continue to face a fairly fluid landscape, it's fair to say, with respect to our travel restrictions. We, unfortunately, don't have clear data to outline how decisions are made. Certainly, while public health is always paramount, I think it's fair to say that the rules remain complex across different modes of transportation, country of departure and length of trip. The current rules do act as a disincentive to travel, which I think means that companies that are in the travel and hospitality space are operating with one hand behind their back.

In the most recent Canadian survey on business conditions, over 55% of the accommodation and food services businesses said that they expect their profitability to decrease in the next three months.

This isn't to go down a deep tangent on issues that aren't related to the question at hand with Bill C-2, but certainly I think it's quite important to help set the context for the discussion on the importance of this bill.

Now I'll turn to my colleague Alla to speak a little bit more to the specifics about the legislation.

Ms. Alla Drigola Birk (Director, Parliamentary Affairs and Small and Medium Enterprises Policy, Canadian Chamber of Commerce): Thank you, Mark.

Good afternoon, committee members. It's great to be back.

Since early 2021, the Canadian Chamber of Commerce has been calling for a more sector-specific approach to the government's business support programs. While the pandemic has touched all of us in a number of ways, the fact remains that businesses in certain sectors have felt the impacts of COVID more acutely than others. That is why we are pleased to see the next iteration of business support programs include a suite of measures that allow businesses in different stages of recovery to access supports to see them through the pandemic.

With Canada's high vaccine uptake and the adoption of proof-of-vaccine credentials by provinces across the country, many COVID restrictions impeding the ability of businesses to operate at full steam over the last two years have either been removed or relaxed, but as Mark noted earlier, this is not uniform for all sectors.

Businesses are acutely aware that public health measures can be reintroduced at any time, and we need to make sure that they have adequate government support to get through these situations. Bill C-2 introduces business support measures that are comprehensive and that provide support for those businesses that continue to have operations restricted as well as for those that are seeing their revenues return.

The tourism and hospitality recovery program provides targeted support for the tourism, travel and hospitality, and arts and culture sectors, while the hardest-hit sectors recovery program provides some relief to businesses in other sectors that continue to see revenue declines of 50% or more. For businesses that do not fall into either of these categories because of revenue declines that are less severe, the Canada recovery hiring program is available to help cover wages if a business's wage bill is higher today than it was in March and April of 2021.

Bill C-2 also includes maximum wage and rent subsidy supports for businesses that are impacted by fresh lockdowns in the future, an important measure as uncertainty increases with the emergence of the omicron variant. Ultimately, the most important thing is to ensure uninterrupted support for those businesses that are still struggling. Therefore, we encourage all parliamentarians to pass this legislation without delay. This is also especially important in light of the upcoming holiday season and the previously mentioned uncertainty around the omicron variant.

Thank you for having us here today. We look forward to taking your questions.

The Chair: Thank you, Ms. Drigola Birk.

Now we're going to move to the Financial Transactions and Reports Analysis Centre of Canada. We have Barry MacKillop and Dan Lambert.

You have five minutes.

Mr. Barry MacKillop (Deputy Director, Intelligence, Financial Transactions and Reports Analysis Centre of Canada): Thank you, Mr. Chair, for inviting FINTRAC to participate in this panel as part of your review of Bill C-2.

As was mentioned, I am joined by Dan Lambert, my assistant director for intelligence. In respect of the time of the committee, I will do the opening comments this afternoon.

• (1625)

[*Translation*]

This afternoon, I would like to speak briefly about the intelligence mandate of the Financial Transactions and Reports Analysis Centre of Canada, or FINTRAC, and the valuable role the centre plays in supporting the investigations of money laundering and terrorist financing by Canadian police, law enforcement and national security agencies.

I will also discuss the strategic financial intelligence we produce that enables us to identify new patterns, trends and tactics used by criminals to launder money or fund terrorist activities.

As one of the 13 federal departments and agencies that make up Canada's anti-money laundering and anti-terrorist financing regime, FINTRAC is responsible for ensuring compliance with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act by specific industry sectors, as well as for generating financial intelligence that will enable Canadian law enforcement and national security agencies to take appropriate action.

[*English*]

FINTRAC's financial intelligence has been more important than ever as criminals and terrorists have sought to take advantage of the global pandemic to enrich themselves and advance their illicit enterprises. Over the past year, the centre generated more than 320 disclosures of actionable financial intelligence related to the laundering of proceeds stemming from fraud, corruption and other financial crimes associated with the global pandemic. In total, throughout the 2020-2021 reporting period, FINTRAC provided 2,046 disclosures of actionable financial intelligence in support of investigations related to money laundering, terrorist activity financing and threats to the security of Canada.

Since becoming operational in 2001, the centre has provided more than 21,000 financial intelligence disclosures to Canada's police, law enforcement and national security agencies. Last year our financial intelligence contributed to over 376 major resource-intensive investigations and hundreds of other individual investigations at the municipal, provincial and federal levels across the country.

As I mentioned earlier, Mr. Chair, FINTRAC also produces strategic financial intelligence, the goal of which is to inform Canada's security and intelligence community, regime partners and policy decision-makers, Canadians and our international counterparts about the nature and extent of money laundering and terrorist financing activity in Canada and throughout the world. For example, FINTRAC prepared a classified financial intelligence brief early in the global pandemic to help inform law enforcement and national security agencies in select federal departments of the various types of fraudulent activity that was being directed at the Canada emergency response benefit and the Canada emergency business account. This financial intelligence brief was based on 395 suspicious transaction reports that FINTRAC received in relation to the Canada emergency response benefit and the Canadian emergency business account between January 1 and June 30, 2020.

It is important to note that our financial intelligence brief was based on information provided by businesses subject to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. It is not evidence of any wrongdoing.

For context, Mr. Chair, our financial intelligence brief also highlighted that as of August 2020, 8.5 million unique applicants had submitted 23.72 million applications for benefits under the Canada emergency response benefit program alone.

Following this classified brief, the centre also produced and published a special bulletin identifying increased money laundering risks associated with the global pandemic. These included the laundering of proceeds of crime by counterfeiters selling fake COVID-19 test kits and pharmaceuticals and cybercriminals employing COVID-19 versions of popular phishing and blackmail scams that directed victims to send virtual currency for donations and ransom payments. The bulletin was meant to assist businesses subject to the act in managing their money laundering and terrorism financing risks during the global pandemic.

[*Translation*]

Since the first lockdown in 2020, FINTRAC has continued to receive and analyze reports, including suspicious transaction reports, and provide actionable financial intelligence to police services, law enforcement and national security agencies in Canada. We are committed to working with Canadian businesses and our domestic and international partners to protect the safety of Canadians and the integrity of Canada's financial system.

Thank you very much.

● (1630)

[*English*]

The Chair: Thank you, Mr. MacKillop. You're right on time.

Now we're moving to the Fondation des artistes. We have Michel Laperrière with us. He's the president. We'll hear from Michel now for five minutes.

[*Translation*]

Mr. Michel Laperrière (President, Fondation des artistes): Good afternoon, everyone.

Mr. Chair, hon. members, thank you for the invitation.

The Fondation des artistes has been in existence for over 35 years. Its mission is to provide one-time financial assistance to local professional artists who are going through a precarious time. It supports all professional artists and artisans, regardless of their age or sector, including actors, singers, musicians, dancers, circus artists, multidisciplinary artists and many others. The support offered is impartial and takes the form of grants. The grants allow artists to meet their basic needs, such as housing, groceries, health care, and so on.

Since self-employed artists don't have access to employment insurance, the foundation's support allows them to get through a difficult period, hold on to their art and pursue their careers.

As you know, the arts sector is a field where precariousness is omnipresent. The worldwide pandemic of COVID-19 has, of course, exacerbated this sad reality and has had a strong impact on the cultural world.

While in 2018-19 the foundation granted some \$260,000 in assistance to artists, in 2020-21 more than \$2,750,000 was distributed in emergency assistance. The amounts donated have increased more than tenfold compared to previous years. This represents more than 1,975 donations in the last 12 months alone.

The growing number of artists supported and donations made by the foundation is due to the support of major industry players such as Netflix and WarnerMedia, private foundations, the Conseil des arts et des lettres du Québec and our Jean-Duceppe fund, not to mention, of course, the establishment of the emergency fund for artists and cultural workers in the performing arts, financed by the Quebec Ministry of Culture and Communications. This fund was endowed with an initial amount of \$2 million, which was quickly depleted in just a few months. Fortunately, it was replenished with \$3 million in the summer of 2021.

It was based in part on the foundation's excellent reputation that the Government of Quebec supported it with confidence. The foundation's impeccable ethics, sound processes, and ongoing collaboration with government officials have been invaluable in helping artists through this difficult period. Full transparency of procedures has been established through regular reporting, as it should be.

Unfortunately, our funds, including the emergency fund from the Quebec Ministry of Culture and Communications, are now exhausted.

As you know, according to Statistics Canada, entertainment GDP fell by 66% in the first two quarters of 2020. Yet just over a year into the pandemic, it was still 64% of a full recovery. I think you understand that the situation is alarming.

I will be pleased to answer any questions you may have.

The Chair: Thank you, Mr. Laperrière.

[English]

We are now going to move to the Tourism Industry Association of Canada and Ms. Beth Potter, who's the president.

Members, before Ms. Potter gets going for her five minutes, I will just say that as soon as she has concluded—and I think she'll have enough time since we have 12 minutes before our vote—we're going to suspend. We're going to go up and vote in the chamber and then come back down, and then we will start our first round of questions.

Ms. Potter, the floor is yours.

Ms. Beth Potter (President and Chief Executive Officer, Tourism Industry Association of Canada): Thank you, Mr. Chair.

[Translation]

Mr. Chair and members of the committee, I would like to thank you for inviting me to appear before you today.

[English]

My name is Beth Potter. I am the president and CEO of the Tourism Industry Association of Canada. I want to thank you for allowing me to appear before you today and for the opportunity to share with you just how important Bill C-2 is to businesses and employers in Canada's tourism industry.

TIAC is the national voice for tourism in Canada. We aim to improve its global competitiveness through leadership and advocacy. We represent a broad suite of tourism sectors, and our advocacy work at the national level involves promoting and supporting policies, programs and initiatives that will benefit the sector's growth and development.

Many of you will have heard me say this before, and I will say it until it is no longer true: When the pandemic struck, the tourism industry was the first hit and the hardest hit, and it will be the last to recover. TIAC's top priority is to work to recover what has been lost over the last 20 months because of COVID.

Before the pandemic, in 2019 total tourism spending in Canada hit an all-time high of \$105 billion, and it had been growing for years. Fast-forward one year: Total tourism spending dropped by half, down to just over \$53 billion in 2020. Fifty per cent of total tourism spending in Canada disappeared in just one year. Domestic spending dropped by 40%, and international spending got decimated by 87%. Total tourism GDP dropped by 50%, and as a result, our industry's contribution to Canada's total GDP dropped from 2% to 1%.

Employment in our industry also saw a significant decline. In 2019 we had 748,000 direct jobs and we supported almost two million in total. One in 10 workers in Canada had a job related to tourism. In 2020 that all changed. The number of direct jobs

dropped by close to 30%, down to 533,000. The number of related jobs dropped to 1.6 million.

These stats are not just numbers on a piece of paper. Jobs are a sense of pride to many. It is how they pay their bills and support their families. Jobs in our industry make a mark on this country, our friends and our neighbours.

The pandemic impacted tourism more than any other sector. By December 2020, there were 10% fewer active tourism businesses than there were the previous year. This is more than three times lower than the contraction of the Canadian economy overall, at 3.1%. No sector was spared.

With the recent new variant and increasing testing requirements, as an industry we feel as though we are going backwards. Tourism businesses and the many thousands of workers they employ are still at serious risk today without continued federal support, especially over the winter months, until higher tourism levels are expected to return in the spring. This, of course, is assuming that new variants are kept under control and new infection cases continue to decrease.

Since the onset of the pandemic the industry has effectively lost two full seasons as borders were closed and other travel restrictions and lockdowns were in place. Businesses have faced crippling revenue losses and drained financial reserves and have taken on substantial debt. Without the financial support provided by Bill C-2, many companies simply will not survive the winter, and many more jobs will be lost. It is imperative that the support provided through Bill C-2 be made available to all eligible tourism businesses, including indigenous tourism businesses.

Before the pandemic, I would note, the growth of the indigenous tourism sector was outpacing that in the industry as a whole. I would also highlight that emergency support programs put in place at the onset of the pandemic did not respond to the realities of many indigenous businesses.

We appreciate the support Parliament has already put in place, but as the rest of the economy recovers, the tourism industry continues to deal with changing restrictions and capacity limits, and that is why we have advocated sector-specific support. That said, TIAC encourages the passing of Bill C-2 as quickly as possible. We also look forward to working expeditiously with all MPs during this parliamentary session towards the development and implementation of a number of strategies to address other critical issues related to the indigenous tourism sector and the significant labour shortage, and to rebuilding overall traveller confidence. I am confident that by working together over the months and years ahead, we will achieve our mutual goal of recovering Canada's travel economy and regaining our leading competitive position in the global tourism market.

• (1635)

In closing, I wish to express my deepest appreciation for the leadership each of you and your respective parties have demonstrated in support of helping to rebuild Canada's tourism industry. While I've delivered these remarks in English, I would be pleased to answer questions that you may have in either English or French.

• (1640)

[*Translation*]

Thank you.

[*English*]

The Chair: Thank you, Ms. Potter.

Members, we're going to suspend right now. We're going to go up and vote. We will be right back.

For the witnesses, the clerk will keep the witnesses informed in terms of timing and when we will be back. Let's hope for 15 to 20 minutes, but we'll see how this goes. Thank you.

• (1640)

(Pause)

• (1715)

The Chair: Members, we're going to get started again. We're back to order.

Right now, we have our first round of questions. There will be six minutes each for each of the parties. We're going to start with the Conservatives.

I believe it's Mr. Stewart first. You have six minutes, Mr. Stewart.

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

I also want to thank all the witnesses for being here today.

First, Mr. Chair, I have a question. Will this committee go longer today, or did we lose that time because of the time it took to go up and vote?

The Chair: Yes, we would like to get the two hours in, so we will add on to our time.

Mr. Jake Stewart: Okay. Thank you, Mr. Chair.

Through the chair, my question today is for FINTRAC.

Can you elaborate to the committee in what moment FINTRAC first believed that defrauding the original CERB and CEBA was inevitable or at least that there was that potential? I know you met with this committee, the Standing Committee on Finance, in July of 2020, and I know that you warned of the potential.

In your commentary earlier, you mentioned advising as early as January of 2020, but I'd like to get some clarification on when FINTRAC first realized the potential for the defrauding of the programs.

• (1720)

Mr. Barry MacKillop: Thank you for the question.

FINTRAC started to receive suspicious transaction reports from our reporting entities around the month of June. For the most part, it was really our large financial institutions that were reporting on CERB and a number of benefits that were coming in with certain clients. They would see clients receiving benefits under different names and so forth, so that really tweaked them to the fact that it may be odd and it may be suspicious.

They reported that, as they should, to FINTRAC, given that if it were in fact fraud, the proceeds of that I think would be related to money laundering. When we receive reports like that, we certainly examine them. We do our analysis. If we meet our threshold, we disclose that information to law enforcement, to either the RCMP or the police of jurisdiction or both.

It was around the month of June that several of the banks started noticing these types of deposits and suspicious deposits going into certain bank accounts.

Mr. Jake Stewart: Thank you for the answer.

As a follow-up question, was FINTRAC consulted during the drafting of the original bill? We're here today to talk about Bill C-2, but out of curiosity, on the original bill that held the CERB and CEBA programs, I wonder if FINTRAC was consulted on the drafting of that bill to assist the government or assist the Canada Revenue Agency with the types of preventive measures that might prevent the potential for what we're discussing here today.

Mr. Barry MacKillop: Not to my knowledge, sir.

Mr. Jake Stewart: Is it customary for FINTRAC to be consulted by the Canada Revenue Agency or the Government of Canada's finance department? Are you the type of group that the government would consult before making this type of bill?

Mr. Barry MacKillop: Typically, as an independent agency, we would be consulted on a number of different bills going forward, but typically those are the ones that are related to money laundering, terrorist financing or threats to the security of Canada. That is really our remit. That is where we specialize in the intelligence world. Those are usually the topics on which we would be consulted if there were a bill going forward that related to those topics.

Mr. Jake Stewart: Another question I have is, can you define...? I mean, obviously there were 395 suspicious transactions early on. You spoke of money laundering, which is done by criminals or criminal organizations and the like. I wondered if you can define how much you think poured into criminal enterprises and if any of that money laundering or financing was actually undertaken by terrorist organizations, either in the country or outside of it.

Mr. Barry MacKillop: Unfortunately, I'm not in a position to quantify the amount. The intelligence we provide, in many cases, is based on suspicions that are identified by the reporting entities. They, in fact, are the ones that identify a level of suspicion. They submit a suspicious transaction to us. If it meets our threshold and we suspect it may be relevant to a money laundering or terrorist financing investigation, then we will disclose the STR—the suspicious transaction report—and/or other related transactions to law enforcement or our national security agencies for investigation.

What we provide is intelligence; it's not actually evidence. Our intelligence becomes one part of an investigative puzzle. It's really only at the end of that investigation or throughout that investigation by law enforcement that they would actually be able to identify whether, in fact, it was fraud that was committed, or if it was perhaps a misinterpretation of the way the money was coming in, or who was assisting family members or whatever the case may be. The fact that we do disclosures—and we've done many disclosures—may or may not result in fraud charges. It's not because I disclose that it's definitely fraud. We're disclosing simply because we suspect that the intelligence we have would be relevant to a money laundering or terrorist financing investigation if one were undertaken.

• (1725)

Mr. Jake Stewart: Thank you.

Was FINTRAC consulted by CRA or the Government of Canada for the drafting of Bill C-2?

Mr. Barry MacKillop: It was not, to my knowledge. If we were consulted, it was not in my area. The intelligence sector of FINTRAC was not consulted. I do not believe that we were consulted.

The Chair: Thank you very much.

Now we're moving to the Liberals. Ms. Dzerowicz, you have six minutes.

Ms. Julie Dzerowicz: Thank you so much, Mr. Chair. I want to thank all the presenters for their excellent presentations.

Thank you so much for your patience while we were voting upstairs.

My first question is going to be for the Canadian Chamber of Commerce. I think it's important for me to just outline a little bit the state of our economy. We have the lowest GDP-to-debt ratio in the G7. Over 106% of our jobs have been recouped. Our business confidence is up. StatsCan has reported that in Q3 our GDP growth was 5.4%. Canadians are saving more. A number of our international credit agencies have reaffirmed our AAA rating.

In spite of all this—and I think it was Mr. Agnew who mentioned this—we know we're not out of the woods yet. We know that the recovery, as we're trying to get out of COVID, is uneven. We're still battling COVID. We know that public health measures continue to restrict our economic activity. We know that the trajectory of COVID and its variants remains uncertain and unpredictable.

As you know, a key part of Bill C-2 is moving away from the broad-based supports to more targeted supports. Do you agree with this approach of being more targeted in our supports as we move forward?

Mr. Mark Agnew: Yes. In terms of the business sentiment, I think the challenges we're seeing are mostly in the hardest-hit sectors, as we call them. They are the ones that haven't seen the job increases that have come back. Certainly we recognize there are limits to what the public purse can ultimately bear. We do need to make sure that public spending is being managed appropriately.

Ms. Julie Dzerowicz: Okay.

I'm not sure if it was you or if it was Ms. Drigola Birk who mentioned this, but I know that you've stressed the importance of passing this legislation before Christmas. Would you mind elaborating a little bit more about how your stakeholders would be impacted if these programs were not in place until, maybe, as late as February?

Ms. Alla Drigola Birk: Absolutely I can take that question.

One important thing we saw, which came out of the most recent Canadian survey on business conditions, was that businesses in the accommodation and food services, arts, entertainment and recreation sectors were the ones most likely to say that if these programs were not to continue it would have medium to high impact on their ability to survive. That's countered by businesses from across sectors in which a majority have said there would be little to no impact. For us, the most important thing is to see these supports continue uninterrupted. They are targeted for the most severely impacted businesses across sectors. For us, the most important thing is to see these continue uninterrupted immediately.

Ms. Julie Dzerowicz: Okay. Thank you for that. I appreciate that.

As you know, if we look at a breakdown of Bill C-2, we see a section for the tourism and hospitality recovery program. We also have the hardest-hit business recovery program, and under that specific program, we list very specifically a number of key sectors. There are specifics in terms of supports for key businesses, for key sectors within the hardest-hit sectors.

My question to you is this: Do you agree with the list? Was the Chamber of Commerce consulted?

Mr. Mark Agnew: Yes, I would say that I think the list broadly reflects the discussions we have had with officials in Minister Freeland's office in advance in expressing some of the views we had about how it should be done. Yes, I think it's fair to say we're broadly content with the list.

Ms. Julie Dzerowicz: Since we're on the section around the hardest-hit business recovery program, how can this program address the uneven recovery that we're seeing? I think it's something you've mentioned, which is that there are a lot of businesses that are doing quite well, but there are a lot that are not. How is it that the supports we have here can address the uneven recovery we're seeing?

Ms. Alla Drigola Birk: I think it's an important question.

One of the things I would say, as I think Ms. Potter mentioned in her comments, is that the tourism sector, for example, was the first hit, and it will be the last to recover. It's important that businesses in these sectors have the same ability for support until they're able to get to the point of recovery that businesses in other sectors have reached.

I think that's where other programs, such as the recovery hiring program, can come in for businesses that are doing better and are increasing their workers' hours or wages. They can still see some of that support, but we need to make sure that we're taking a balanced approach with our fiscal management to make sure that we're continuing supports for those that really need it and are able to help those businesses that are recovering to transition away into a better place.

• (1730)

Ms. Julie Dzerowicz: Thank you.

My final question is for Ms. Potter from the tourism industry.

I think you spoke about the importance of passing this legislation very quickly. Could you elaborate a bit about how your stakeholders would be affected if these programs were not put in place until perhaps as far away as February?

Ms. Beth Potter: Thank you very much for the question.

I'll just say that so many of these businesses now have missed two full seasons of revenue generation, so they have burned through any kind of reserve they had and any kinds of savings they had. They've taken on as much debt as they can afford to. It's this kind of program that will afford them the opportunity to continue to keep their staff and keep the doors open during these very lean months over the winter, until they can start to see revenue generation begin to climb again. They just don't have the cash flow. That's why it is so important that this program continue uninterrupted.

The Chair: Thank you, Ms. Dzerowicz. That's your time.

We're moving now to the Bloc and Monsieur Champoux.

[Translation]

Mr. Martin Champoux (Drummond, BQ): Thank you, Mr. Chair.

I would like to thank the witnesses for their presence and for their patience. Indeed, today's meeting requires it.

In recent months, and especially during the useless election campaign we went through this fall, the Bloc Québécois insisted on the importance of maintaining certain programs for the sectors of the economy that would have the most difficulty recovering from the pandemic. One of these sectors is culture. Yet, this does not appear at all in Bill C-2, which we are talking about today and which we were all waiting for. There is nothing in Bill C-2 for self-employed cultural workers. Several weeks ago, we told the government that this category of workers had to be included in the bill, or we would oppose it. We are told that the government is not able to include them. This is an answer that we find difficult to accept.

I would have a few questions for Mr. Laperrière from the Fondation des artistes.

Good afternoon, Mr. Laperrière. I'm pleased to have you with us today.

How did the cultural industry react when it realized that there was no support for the cultural sector in Bill C-2.

Mr. Michel Laperrière: From the beginning of the election campaign, we were told, through the voice of the Prime Minister, that the Liberal government was indeed thinking of establishing measures to help the cultural sector. Obviously, if there is nothing in this bill, people will be disappointed, if not desperate. The entire cultural industry, not just the arts and entertainment sector, has been devastated by COVID-19. The situation continues, especially in the case of live performances. Theatres have been reopened, but because people have been told for almost two years that it is dangerous to be in a group, they are reluctant to buy tickets and to start going to theatres again, whether it is for a concert, a play, a dance performance—

Mr. Martin Champoux: I'm sorry to interrupt. In fact, we understand that it is essentially self-employed workers in the cultural sector who are affected. Of course, some businesses are still receiving assistance, including through the Canada emergency wage subsidy and the Canada emergency rent subsidy.

Was it explained to you why there was no support for self-employed cultural workers in this program? Did you have any contact with officials who explained the logic behind the lack of support?

Mr. Michel Laperrière: Earlier, I introduced myself as president of the Fondation des artistes, but I am also vice-president of the Union des artistes du Québec. We have not yet received an explanation for this oversight, but I trust that we will soon.

• (1735)

Mr. Martin Champoux: At a press briefing this morning, the Bloc Québécois made a proposal to the government to follow the lead of Quebec's Ministry of Culture and Communications and make a financial contribution to the Fondation des artistes. In your opening remarks, you mentioned the provincial assistance received. In fact, in Quebec, the foundation is known for its rigour, and it has experience in this type of assistance for the cultural sector.

So that's what we proposed to the government. If the government agreed to this proposal, would you be able to administer or manage the support measures for self-employed cultural workers during this difficult period of the pandemic?

Mr. Michel Laperrrière: Our experience, our expertise and our way of doing things could certainly help—and I do mean help—the government in this respect. That's what we did with the Quebec government. Obviously, we would have to specify the guidelines, establish a way of proceeding and work with public servants, but we could certainly serve as a conduit, so to speak. In other words, it wouldn't necessarily be a donation from the government to the foundation, which would then redistribute the money. If we were to adopt the same principle as when we worked with the provincial government, it would be a matter of us taking over the management of the government's money and being accountable to them in a regular and transparent way. If the government wants to work with us, we are available.

Mr. Martin Champoux: That's great.

Earlier, you said that the donations made by the foundation over the last 12 months had increased tenfold. In fact, 1,975 donations were made by the foundation during this period.

If you were to take over a fund that was intended to help artists in general or self-employed cultural workers, how many applications could you receive? Are you able to give us an estimate?

Mr. Michel Laperrrière: For example, we received support from the Government of Quebec in two phases.

The first amount, which was \$2 million, allowed us to make 950 donations, all of which were for \$2,000, the same amount as the Canada emergency response benefit. Indeed, we determined that the reason the CERB was set at \$2,000 was because it was a reasonable amount for a person to feed and support their family. So with that \$2 million, we made 950 donations.

We then received a second instalment from the government, this time in the amount of \$3 million. So far, we've been able to make 1,400 donations with that money. We still have some money left from that fund that we are still administering, but there is very little left—

The Chair: Thank you, Mr. Laperrrière.

[*English*]

Thank you, Monsieur Champoux.

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

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

Ms. Sarangi from Campaign 2000, I just want to come back to you.

I think the Liberal government has made it very clear that with this bill it has said we're out of the woods on the economic side of the pandemic, with the exception of one or two business categories. Largely, there's no support for workers here. It has said it's not going to leave anyone behind, but I know you talked about a CERB repayment amnesty. You talked about some of the benefit claw-backs that we're experiencing.

I know that in respect to CERB, there have certainly been a lot of allegations, but there hasn't been a lot of quantification about CERB fraud and things like that. Can you let the committee know

who some of the folks who are really in distress over CERB repayments are?

Ms. Leila Sarangi: Thank you very much for the question. I think it's so important that we don't lose sight of the individual community members who are struggling.

I've been receiving emails and phone calls from people from coast to coast to coast. This isn't relegated to one part of the country; this is an issue that is happening across the country in terms of the amount of stress that families are under.

I have had, for example, an email from a single mother out in B.C. who has two children with disabilities. She is on B.C. disability assistance and received the CERB because she lost hours of work. She received a letter last September to say that she needs to provide more information or she will have to pay it back. The amount of stress has led her to suicidal ideation.

This is a theme that I have heard from almost every person who has contacted me. I had a senior contact me from the Northwest Territories. She has been rendered homeless because her GIS payments have been reduced. She is sleeping in her car, and she is a senior in the Northwest Territories.

I have heard from people in Nova Scotia who have been forced to sell their businesses because they're not able to maintain their B & B. They don't have enough money. They've been kicked off their GIS. All their GIS has been clawed back in the recalculation. She is living on just over \$1,000 a month, and that makes her ineligible for a provincial financial support program because she's not making less than \$1,000. She's making somewhere just above the \$1,000 a month. There is nowhere in this country that this is an income that can allow you to pay your rent, pay for medication, pay for food and support your family.

This is causing so much stress to the most vulnerable people in our communities. We cannot continue to let these folks fall through the cracks in our systems.

● (1740)

Mr. Daniel Blaikie: If the government is insisting on repayment of CERB money from low-income folks, presumably it's because they're hoping to generate revenue or offset costs. How much do you think the government is likely to collect from some of Canada's poorest people, who are already living in financial distress?

Ms. Leila Sarangi: I mean, probably not much if the payment programs they're talking about are \$10 a month or \$25 a month. They've said, "Oh, we'll work with folks within their given capacity", but I'm telling the committee here that there is not even that extra \$25 or \$10. I think some people were so scared that they have cobbled together and borrowed money and paid back some of the amounts.

We're talking upwards of about... I think the maximum repayment is about \$14,000 per family. That was the maximum. For most of the cases, this money does not exist.

Our new social contract was to stay at home, isolate at home, stock up on your groceries, get your food delivered and buy your PPE and extra cleaning supplies. For your kids, buy more computers and increase your broadband so they can learn at home and socialize at home. These were real costs. The CERB and the CRB went to those items, to those itemized things. The money is just not there in the bank accounts for them to be able to repay. I think the federal government is really only going to get a negligible amount back—if any.

Mr. Daniel Blaikie: We talked a bit about the clawback of benefits for the GIS, for instance. For folks who were GIS recipients, when they applied for the CERB alongside their acceptance into the pandemic benefit program, were you aware that they received any kind of notification from government that those benefits could be clawed back in the following year and that they should set some aside because their income the next year wouldn't be anything like their income in the preceding years?

Ms. Leila Sarangi: That was never part of the messaging that people heard or were given. In fact, I've heard stories of people who have called CRA and said, "Am I going to be penalized for collecting the CERB? I'm asking because I cannot afford to be penalized." They were assured that they would not be penalized in any kind of way, and then in the following year they had their GIS clawed back. We're talking about seniors who are making less than \$18,000 a year. You know, it's really—

The Chair: Thank you.

Mr. Daniel Blaikie: Would that also be true for the Canada child benefit?

Ms. Leila Sarangi: Yes.

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

We are now moving into our second—

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): A point of order, Mr. Chair.

The interpreter indicated that it was very difficult for him to interpret what the witness who just answered said, given the poor quality of sound from the microphone.

I don't know if it would be possible to proceed differently for subsequent questions.

Thank you, Mr. Chair.

[*English*]

Mr. Daniel Blaikie: I'd be happy just to quickly re-ask the question.

The Chair: Ms. Sarangi, can you raise your mike closer to you? Don't put it too close, because we don't want to get the popping sound. Please conclude quickly, and then we will move into our second round with the Conservatives and Mr. Poilievre.

• (1745)

Ms. Leila Sarangi: Thank you. I had just mentioned that GIS recipients were not aware that there would be any sort of reduction to their GIS in the year following their collecting the CERB. Nobody

was made aware, even in cases where they had asked that specific question.

The Chair: Thank you.

Now we have our second round for the Conservatives.

Mr. Stewart, you have five minutes.

Mr. Jake Stewart: Thank you, Mr. Chair.

Through the chair, again my questions are for FINTRAC, just as last time.

I was wondering if the witnesses from FINTRAC could lay out a description of what some of these suspicious transactions looked like, elaborate on what they looked like at first glance and lay out some of the examples of how pandemic benefits were fraudulently taken by criminals and criminal organizations.

Mr. Barry MacKillop: Sure. First of all, just to clarify, with regard to the suspicious transactions we saw and any reference to a criminal organization, there were no criminal organizations actually applying for the benefits. There were some criminals who appeared organized, according to the reporting entities and those that report to us, which means there may have been one or two who appeared to be working together. We didn't actually see organized criminal groups that were doing this, just to clarify that.

Typically, there are a couple of things. One is that many criminals, if they're involved in trying to take advantage of a benefit program like CERB, unfortunately are also taking advantage of many other things. These unscrupulous people are often involved in human trafficking or drug trafficking or any other kind of criminality. In many cases the CERB benefits were referenced in the narrative section, or section G, of an STR, which simply said that the person, over and above other suspicions, also received x number of CERB payments over the course of x number of weeks or months. That was in cases where CERB was referenced in an STR but wasn't necessarily the focal point or the focus of the STR.

In other cases, I guess probably the most typical one you would see is one person who has a bank account and is receiving multiple CERB payments going into his or her bank account under different names, and then that money would be quickly disbursed either through money transfers to someone else or to themselves in another institution, or the money would be taken out almost immediately through cash withdrawals at ATMs, for example. What tended to be the primary indicator was that CERB benefits were going into a single bank account although the benefits themselves were being provided under different names, which would suggest that there were some stolen IDs involved here. Someone would steal other IDs, other credentials from other people, or create fictitious names with fictitious credentials in order to receive the benefits directly into their bank account. Then they would remove that money from the bank account as quickly as they could.

Mr. Jake Stewart: I appreciate that.

Could you also elaborate on the CEBA program and what types of activities you noticed with that program?

Mr. Barry MacKillop: It would be similar. They could be using shell companies or simply businesses that were created that did not have a significant online presence. We've seen this in other areas. It was not distinct and unique to CEBA benefits, but it was an opportunity for, again, the criminal-minded individuals to set up a company in order to receive benefits or to have a company that was essentially going bankrupt, or they had it as a shell company and they would reactivate it in order to receive the benefits. Then they would remove the money from that company.

Ms. Julie Dzerowicz: On a point of order, Mr. Chair. I'm sorry, but the bells are ringing. We have to have unanimous consent to continue. I'm sorry to interrupt.

The Chair: Okay. I'll look for unanimous consent.

Some hon. members: Agreed.

The Chair: We'll do what we did the last time and continue until about six or seven minutes before we have to get up to vote. Thank you.

Mr. Jake Stewart: My last question, potentially, to FINTRAC, for now, is this: Has anyone in the Canadian government, the CRA or the finance department assured FINTRAC that organized criminals or the criminally minded will not be filling their pockets with taxpayers' dollars once again?

• (1750)

Mr. Barry MacKillop: I do not believe they would be in a position to give us that assurance. Criminals have historically done, and in the future will continue to do, their best to get around anything if there's an opportunity to make money. They are motivated by greed. This, unfortunately, is not limited to the federal government benefits. We've seen criminals take advantage and try to take advantage of benefits across all the provinces as well as internationally. Unfortunately, while the vast majority of the money that's going out is going out to Canadians who need it—Canadians who are benefiting from it and who require that support—the criminal element, whether Canadian or international, will always try to take advantage. Our role and the role of our reporting entities and the role of law enforcement is to try to identify those individuals, try to intervene with them, and try to lead to enforcement actions, eventually, against them.

I don't think that anyone, including me, could give you assurances, nor could I design a program that would be criminal-proof. We have a regime that is working well. We're working together. We have great co-operation. We have great reporting. We are working well to try to identify those who are trying to take advantage of the system, whether it's here in Canada or in instances in which we can assist our international partners.

The Chair: Thank you, Mr. MacKillop.

Now we're moving to the Liberals for five minutes.

Go ahead, Mr. MacDonald.

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

I'm going to follow up with a couple of questions for FINTRAC relevant to the relationship they have.

Can you explain the relationship between FINTRAC and CRA?

Mr. Barry MacKillop: We have a very good relationship with CRA, actually. They are a disclosure recipient. Any time we meet our threshold for money laundering and we see that the transactions may be related either to tax evasion or to criminal use of the tax system or charities, we can disclose proactively to CRA. We can also disclose proactively to Revenu Québec. Both Revenu Québec and CRA have the authority and the opportunity to submit what we call voluntary information records to FINTRAC, whereby they can explain to us and outline to us investigations that they are currently undertaking and seek our assistance in their investigations.

We've had some very good mentions in the media, in fact, of support that we've been able to provide to CRA in several of their investigations over the years. Therefore, from an intelligence perspective, we do work well with CRA. They are good partners. We work with them right across the country.

Mr. Heath MacDonald: Based on your numbers, do you have any numbers or statistics on things pre-COVID relevant to financial intelligence on—I'm not going to use the words "organized crime" because I don't think they're appropriate anymore, after your clarification—these types of files you're dealing with in which the banks make observations? I think you used the word "threshold" at one point in your opening remarks.

Mr. Barry MacKillop: We get 30 million transactions a year from our reporting entities: large banks, small banks, medium banks, money service businesses, casinos, accountants. We have nine different reporting sectors that all report to us. The suspicious transaction reports have in fact been increasing over the years. A lot of that may have to do with the fact that we developed some very successful public-private partnerships that have led to the identification of very specific indicators that can then be used by our reporting entities in their monitoring systems to generate the financial transactions that get certain red flags related to things like human trafficking, child sexual exploitation on the Internet, fentanyl trafficking, romance scams that tend to take advantage of the elderly, underground banking and the use of casinos for laundering money.

The transactions and the reporting that we get in terms of suspicious transactions have been increasing. The quality has been increasing. Over the years historically we've done, I would say.... Just over the last three or four years, for example, we've averaged over 2,000 disclosures of actionable financial intelligence to our law enforcement national security agencies and our law enforcement partners across Canada and internationally. Fraud, generally speaking, whether it's a romance scam type of fraud, a 419 fraud or any type of fraud you can think of, tends to be included in somewhere around 30% to 33% of our disclosures. Fraud is always one of the top three predicate offences to money laundering, and there are, as you know, several different types of fraud. It could be anything from email account takeovers to the CERB fraud we are seeing and have seen. Fraud is always, unfortunately, a significant percentage of our disclosures year over year.

• (1755)

Mr. Heath MacDonald: I have one final question.

I have constituents in my riding who had their accounts frozen. They were collecting CERB, and their accounts were frozen by CRA. Is that a link back to your organization as well? Did a flag go up that said, "You know what? Something is not right here, so let's freeze this account until we figure it out or understand what the issues are"?"

Mr. Barry MacKillop: We have no authority to freeze accounts, nor to request that CRA or anyone else freeze accounts on behalf of anyone. If in fact we had done a disclosure to CRA and as part of their investigation they determined that something was amiss and asked the banks to freeze the account, that would be completely and solely with respect to the CRA and their authorities, or the bank and its authorities. It would not be a link back to us because we are not involved in the investigative component once we provide the intelligence.

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

Mr. Heath MacDonald: Thank you very much.

The Chair: Now we're moving to the Bloc.

Go ahead, Mr. Champoux.

[*Translation*]

Mr. Martin Champoux: Thank you, Mr. Chair.

I'll come back to Mr. Laperrière, because we had a very interesting conversation earlier.

Mr. Laperrière, I have a persistent concern. Since we realized that the assistance programs for freelancers or self-employed workers in the cultural sector were coming to an end, the concern is that we risk losing expertise. As we know, self-employed cultural workers often have expertise and passion. It is very easy to fear that, if they don't receive financial support, many of these workers will migrate to other sectors of activity.

What damage do you think could be done to the cultural industry if help is not offered quickly?

Mr. Michel Laperrière: You've described the danger very well.

I'm thinking particularly of the younger generation. For the graduates of specialized schools, such as music or theatre conservatories, the last two years have been catastrophic. These young people have no opportunity to showcase or express their talents or to become known and recognized. I think this is a real problem.

I would like to clarify one other thing. The foundation exists to provide one-off assistance to artists who are established in the profession. It's not a question of ongoing support, but of one-off support. In this field, it is normal for artists to experience a slump. This one-off support enables them to continue their career. If they have nothing to hang on to, they will become Uber drivers or who knows what. After all, they have to be able to earn a living and support their families.

Mr. Martin Champoux: With no access to the Canadian economic recovery benefit, or CERB, and no real eligibility for EI, these people will be dependent on assistance that must be provided quickly.

Aren't you concerned that this may come a little too late in many cases?

Mr. Michel Laperrière: As far as I know, the CRB ended in October.

Mr. Martin Champoux: That's right.

Mr. Michel Laperrière: So yes, we must think about helping these people as quickly as possible. However, I repeat that we must not rush, but take the time to do things properly. For our part, we have established a model with the Quebec government. That said, I'm not thinking only of the people of Quebec, but also of my colleagues across Canada. We must have an organization that is accountable.

The Chair: Thank you, Mr. Laperrière.

[*English*]

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

[*Translation*]

Mr. Daniel Blaikie: Mr. Laperrière, you spoke earlier about a model whereby you helped the Government of Quebec provide financial support to self-employed workers in the cultural industry.

However, wouldn't a program like the CRB be a good thing for the self-employed, since it would come directly from the government and would be a fixed amount paid at regular intervals?

• (1800)

Mr. Michel Laperrière: There's no question that this program has helped tremendously not only the cultural workers, but also the hospitality workers, as was mentioned by a witness earlier. I'm familiar with this model. Moreover, we know that when plan A for people in the cultural industry doesn't work out, their plan B is to go work in a restaurant. In the current context, that means that both plans are rotten.

In short, these programs were indeed of service to people in the cultural sector, but also in other sectors. It was a good way to help them. Now, can we extend these support measures? It's not up to me to answer that question.

Mr. Daniel Blaikie: Bill C-2 would put in place the Canada worker lockdown benefit.

Would it be a good thing if self-employed cultural workers had access to this benefit, even if lockdown wasn't imposed in their region?

Mr. Michel Laperrière: The answer to that question is yes, Mr. Blaikie. That's certainly the best solution.

Mr. Daniel Blaikie: Thank you very much, Mr. Laperrière.

[*English*]

For Ms. Potter from the Tourism Industry Association, we know that there are a lot of people who are self-employed in the tourism industry who won't be covered by the measures in Bill C-2. Do you think it would be helpful for self-employed people in the tourism and hospitality industry to have access to the Canada worker lockdown benefit, notwithstanding whether there's a lockdown order in their particular region?

Ms. Beth Potter: Access for sole proprietors has been a real challenge across many of the programs that have been available through COVID, so certainly we are constantly looking for an opportunity to correct our course on that one. If there were that opportunity in Bill C-2, we would of course support it.

Our whole priority, really, is to get back to work. We want these programs to be in place, but we would like to not have to use them if we didn't have to, so yes, we would—

The Chair: Thank you, Ms. Potter.

Now we're moving to the Conservatives and Mr. McLean for five minutes.

[*Translation*]

Mr. Greg McLean (Calgary Centre, CPC): First, let me thank all the witnesses who are with us today to provide us with information on this issue.

[*English*]

The first question I have will follow on my colleague's questions to Mr. MacKillop here. The question is on the financial transaction report—and thank you for your annual report—wherein you indicate that the number of suspicious transaction reports in 2019-20 rose to 386,000 from 235,000 in the previous year. Can you give us a brief explanation of why that increase may have occurred, please?

Mr. Barry MacKillop: Sure. It's for a couple of reasons.

One is increased reporting by our reporting entities. I think we're seeing the benefits of our public-private partnerships. We're seeing the result of the knowledge of potential money laundering indicators and our sharing of those indicators with our reporting entities. We have lots of consultation with our reporting entities and we talk a lot with them about what is required in terms of good STRs.

From that perspective, I would say, we're seeing increased monitoring in terms of applying indicators, the advent of technology and the ability to use algorithms to identify transactions and to identify suspicious transactions within institutions. That has also led to—

Mr. Greg McLean: Okay. Thank you. The gist of what I'm hearing is that it's something extraneous to the programming that we're talking about here today.

Mr. Barry MacKillop: Correct.

Mr. Greg McLean: Good. Thank you.

You did speak earlier about how money was coming in and was going into accounts of existing family members. Can you elaborate on that, please? How did you determine that family members were benefiting from one claim? I'm presuming that would be in some kind of corporate account where income was being split among family members.

• (1805)

Mr. Barry MacKillop: Not necessarily; it could have been one person in the family who applied using their bank account, and other members of the family were using the same bank account in which the money was being deposited.

Mr. Greg McLean: So it isn't just a corporate one. Did you see any corporate transactions that were flagged as potentially crossing

the line of many payments going into one account and being distributed to family members?

Mr. Barry MacKillop: There likely would have been instances we'd have seen under CEBA, for example. There may have been money going into a corporate account and then quickly sent out to a personal account.

Mr. Greg McLean: All right. Thank you.

I'll turn now to Ms. Potter of the Tourism Industry Association of Canada.

Thank you for being here today, and thank you for the contribution your industry makes to Canada. It is a net benefit. I really appreciate all that your members bring.

I'm curious about some details around the programming here. What percentage of tourism revenue occurs in the spring to summer to fall months—let's call it the middle six months of the year—in Canada?

Ms. Beth Potter: I can tell you that in what we call the “high season”, the summer months between May and October, one day's revenue can equal a week's revenue in February. I think that gives you a sense of how a lot of businesses really rely on that summer season. Of course, there are businesses that are solely winter season, but in a number of sectors—the business event sector, for example—they really rely on the shoulder seasons.

At this point, I will tell you that the split between those who need to have year-round revenues and those who don't is about 60:40.

Mr. Greg McLean: With regard to the tourism revenue that is allocated in what you call that summer season or the middle six months of the year, what percentage in Canada does that represent of the total GDP that comes into the tourism industry, please?

Ms. Beth Potter: Of the \$105 billion in spending that we realize in a year, about 60% of that would be allocated to those six months.

Mr. Greg McLean: Thank you.

I have one final question on that. Do you see any problem with the reduction that's going to happen in the months that are leading right up to the high season?

The Chair: That may have to wait for another round, Mr. McLean.

We will now move over to the Liberals.

Madame Chatel, you have five minutes.

[*Translation*]

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

My thanks to all the witnesses who are here to share their expertise with us.

My first question goes to Mr. MacKillop and deals with the very important work that FINTRAC is doing. We in Canada are also very proud that we have some of the highest standards for detecting financial crime.

Mr. MacKillop, you were talking about collaboration. It's very important for the government to put its faith in collaboration, particularly by creating a Canadian agency to fight financial crime.

We are passing bills and establishing standards to ensure that financial companies and banks can quickly detect financial crime or potentially fraudulent transactions. You were talking about red flags, and I found that very interesting. We actually have some of the highest standards. I also know that you took part in the consultations that led to the development of those standards, so my thanks to you for that.

I would like to know what mechanisms are put into motion to immediately advise authorities of potential problems that then need to be checked.

Mr. Barry MacKillop: Thank you for the question.

Yes, it really is based on collaboration and the relationship we have with the reporting entities, casinos, banks and so on. We work with them closely.

The measures we have put in place include what we call operational alerts. These are documents that describe a problem in exact detail. Our first operational alert was issued in 2016 as part of Project PROTECT, the target of which was financial transactions connected with human trafficking. We not only identified the problem as definitely existing in Canada, unfortunately, we also identified very precise indicators that the financial institutions could monitor. We established those indicators with financial institutions as well as with law enforcement organizations. For example, we had consultations with the RCMP to validate the indicators that we had identified to make sure that they would be useful in uncovering suspicious transactions.

When we issued operational alerts, those indicators were sent to all the entities that, under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, are required to declare certain operations to FINTRAC. They were then able to use those indicators to strengthen their capacity to uncover suspicious transactions and report them more quickly. In addition, it allowed them to provide higher-quality and more detailed information on each transaction. That helps us to collect all the information and to send cases of fraud to our law enforcement partners and cases of terrorist financing to the organizations responsible for national security.

• (1810)

Mrs. Sophie Chatel: Thank you very much for your answer.

I would like one point clarified. You say that the number of disclosures and alerts is increasing, as is the quality of information. You also talked about the agility with new technology that organizations, partners and entities that identify suspicious transactions are demonstrating. This all contributes greatly to the effort and to the increase in the number of disclosures and frauds that are uncovered. Is that correct?

Mr. Barry MacKillop: Yes, that is correct. I would not say that organizations are able to change their entire systems overnight to add the indicators. But it is certainly the case that we work with them to determine indicators that truly zero in on the transactions. These are not necessarily additions. It is just a matter of finding the indicators and applying them. For example, if one transaction dis-

plays a number of indicators, that in itself may indicate that we are dealing with a case of money laundering.

[*English*]

The Chair: Thank you, Mr. MacKillop and Madame Chatel.

Members, we're going to suspend now for our vote. We will be back to the witnesses for our last third round.

Thank you.

• (1810)

(Pause)

• (1845)

The Chair: I call the meeting back to order. This will be our third and final round.

Thank you very much to the witnesses for your patience.

We are going to start with the Conservatives for five minutes.

Go ahead, Mr. Chambers.

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

Thank you again to our witnesses for sharing your stories today and for your patience.

Obviously, this is a very important piece of legislation. I was and am very touched by Ms. Sarangi's testimony about those individuals who are food insecure or housing insecure and those individuals who are in the greatest need. That's precisely why some of my colleagues have been questioning some of the issues around potential fraudulent activity with some of these benefits. They are related, because every dollar that we send to somebody who is undeserving, ineligible or a criminal is another dollar that does not go to someone in the greatest need, so these questions are very relevant.

I have two brief questions for our witnesses from FINTRAC.

First, have you been asked to expand upon or complete a more fulsome audit of the transactions after completing your initial sampling and review? Has the government asked you to do any further investigation on the benefits already provided?

Mr. Barry MacKillop: Other than the special bulletin that's available on our website, where we provide a broader knowledge of the trends and typologies and what we've seen—and that bulletin is available to the general public—we do not actually do audits of those types of transactions.

We provide intelligence, as a financial intelligence unit, to law enforcement when we reach our threshold. It's not part of our remit to do an audit of transactions. We see only a limited number of transactions in any event. We would not see all of the transactions that were related to the provision of CERB benefits.

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

I must say that I know Canada is a world leader in investigations. FINTRAC actually has a very good reputation around the world for the work that it does. Where I think Canada does lag our peers would be on prosecutions and convictions.

Are you aware of any enforcement actions as a result of the transactions you've identified, or prosecutions for these transactions that have taken place?

Mr. Barry MacKillop: There have been some enforcement actions, not necessarily.... As I mentioned earlier, unfortunately, the CERB fraud wouldn't necessarily be the only criminal act that may be committed by these criminals. The offence with which they're charged and the offence for which they're prosecuted are not necessarily CERB-related or fraud-related in this particular case.

There has been some enforcement action taken, I believe, in some provinces. I am not privy to all enforcement action that's taken. Typically, I would read it through the media. While my partners are very good at trying to mention us when FINTRAC is a partner in the overall investigation that's taken place, we're not always mentioned, so I don't always see the end result of the intelligence that we provide. However, I do have confidence that my law enforcement partners across Canada are doing their best to do the investigations.

These investigations can be very complex and they can take time, so we may be in a better position in the future to see what types of actions were taken, what types of investigations were successful, and whether or not there were prosecutions.

• (1850)

Mr. Adam Chambers: I know I speak for myself and perhaps other members of this committee when I say that we look forward to hearing some testimony or getting some information at some point from law enforcement agencies and the CRA on this particular point of fraud and other criminal activity.

Turning to the Chamber of Commerce and the Tourism Industry Association, thank you for joining us. You represent a very large and diverse member base.

As I understand it, there are multiple issues around the reasons a business may need financial support. I don't think any of my colleagues here would dispute the businesses that have raised their hand and those in need. Could you elaborate on a couple of items that we have not spoken about today?

The Chair: Mr. Chambers, that's your time, but it may come up from you or your colleague later in this round.

We'll move over to the Liberals and Mr. Baker.

I understand it's your birthday, Mr. Baker. Happy birthday.

Mr. Yvan Baker (Etobicoke Centre, Lib.): Thanks very much, Mr. Chair. I appreciate that very much.

Voices: Hear, hear!

Mr. Yvan Baker: I'm really happy to be here, celebrating with all of you.

Voices: Oh, oh!

The Chair: You have five minutes.

Mr. Yvan Baker: Thanks very much, Mr. Chair. I appreciate it.

Thanks to all of you for celebrating with me.

My first question is for the tourism association. I'm wondering if you could speak briefly to the impact that the programs proposed in Bill C-2 will have on companies in the tourism sector.

Ms. Beth Potter: Thank you very much, and through the chair, happy birthday to you.

The impact that this will have is that it will keep doors open. It will keep businesses alive. It will keep people employed. We are looking at a number of businesses, a large swath of businesses, that did not have a great summer as far as revenues are concerned. In fact, this is the second summer that hasn't been good.

We're also looking at businesses in a sector that has been shut down until only recently, and it's one that takes a long time to come back. That's the business events sector. Getting back together, meeting in person, returning to the office and getting those business functions back up and going are the kinds of things that support a lot of our businesses in the shoulder seasons. A lot of those events are not taking place.

Just to give you an example, 3,451 business events took place across Canada in 2019. There were 451 events in 2020, and those 451 took place in the months of January to March, before the pandemic hit our shores. Since then, until about September of this year, that industry has been dark. The lack of revenue and the ongoing low bookings mean we could see an absolutely large layoff of staff and a permanent closure of businesses, which is something we don't want to see.

Mr. Yvan Baker: That's very helpful. Thank you.

[Translation]

My next question is much like the previous one and goes to the representatives of the Canadian Chamber of Commerce.

In your view, what impact will the programs in Bill C-2 have on companies in Canada? You have about a minute to answer the question.

[English]

Mr. Mark Agnew: Thank you for the question. Through the chair, happy birthday to you.

Beth talked about a number of things that are important in general terms. Maybe I'll drill down specifically with respect to the rent aspect of this program.

It's not just about paying employees' wages or the fixed overhead costs for businesses. To keep their space under their use, they have to pay the landlord, utilities, and insurance costs, which have gone up as well for a number of companies. Having that portion of these support programs extended is also critical to making sure that they're paying that as well as their employees' wage bills.

• (1855)

Mr. Yvan Baker: That's really helpful. Thank you, Mr. Agnew.

I've never been wished happy birthday through the chair before, so I appreciate that very much.

Voices: Oh, oh!

Mr. Yvan Baker: There's a first time for everything on this committee.

Mr. Agnew, some members of this committee have suggested that there's help in Bill C-2 for businesses only, and not for Canadian workers. My view is that by protecting businesses from bankruptcy, by subsidizing wages, we're actually supporting Canadian workers.

My question to you is this. Through Bill C-2 and the programs in Bill C-2, are we not supporting Canadian workers, and if so, could you describe what you think the impact will be on Canadian workers as a result of the programs in Bill C-2?

Mr. Mark Agnew: I may want my colleague Alla to step in here, but I will say that the tag line we always use is that small businesses are the engines of job creation in communities across the country. That's not just a nice talking point; I genuinely do believe it to be true. I'm sure that all of the members around this committee in their constituencies know that to be the case. It is real people who are being employed, who have real bills to pay and real families to support.

Alla, you may want to step in with some of the specifics.

Ms. Alla Drigola Birk: I think you hit the nail on the head there.

What I will say is that the wage subsidy program is making sure that employees can stay on the payroll. It's protecting jobs and communities, especially where, as Mark said, a lot of these businesses are the lifeblood of the community. They're gathering points. They're the main economic drivers of a community. Making sure that the citizens of the community remain employed is key.

Mr. Yvan Baker: Thank you very much.

The Chair: Thank you, Mr. Baker. I know it's your birthday, but that's your time.

We're now moving to the Bloc and Mr. Champoux.

[*Translation*]

Mr. Martin Champoux: Thank you very much, Mr. Chair.

Mr. Laperrière, we know that one of the difficulties that self-employed cultural workers face when they are going through dry spells is access to programs like employment insurance. Because they are self-employed, they are not really considered eligible.

A number of years ago, the Government of Québec recognized the status of artist. Do you feel that instituting the status of artist at

federal level could make the life of artists and self-employed cultural workers easier? If so, how?

Mr. Michel Laperrière: That is a huge question. Actually, Québec's act needs major adjustments and is currently being reviewed. After all, acts are normally reviewed after a certain number of years.

Federal legislation on the status of the artist would certainly simplify the lives of a number of artists through their unions, of course, that are often defending cases against a number of different producers in the industry.

As for the employment insurance program itself, I feel that everyone has agreed for some years that it is out of date in a number of aspects and must therefore be reviewed. That is certainly the case for self-employed workers, whether they are artists or anything else. That is also part of the work that the government must focus on, because the number of self-employed workers is increasing.

Mr. Martin Champoux: You talked about your structure, which has allowed you to respond quite easily to requests from artists who need donations from the foundation in order to make it through more difficult periods. However, we have not talked a lot about your capacity to absorb a little more of that.

Let's say that the government decides to go with the suggestion we made this morning, which is to set aside a significant amount for the foundation in order to provide assistance to artists. Would your structure be sufficiently robust to respond to an increased demand? What support would you need from the government?

Mr. Michel Laperrière: I am aware of that announcement that the leader of your party made this morning. If we were to establish the same model with the federal government as the one that we have used with the Government of Québec, it is very clear that some adjustments would have to be made. Normally, as you may know, our foundation responds to many fewer requests per year than we would expect in that case. So...

Mr. Martin Champoux: You would have to be provided with tools. I understand.

Thank you.

The Chair: Thank you, Mr. Laperrière.

Mr. Michel Laperrière: Yes, indeed, we would need tools.

My thanks to you.

The Chair: Thank you.

• (1900)

[*English*]

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

Mr. Daniel Blaikie: Thank you.

I'll start by expressing some regret that the House business that has caused delays for the committee has made it impossible for the witness from Campaign 2000 to be with us at the moment, and I'll say thank you again to our other witnesses for their availability and their willingness to stick around despite those unforeseen delays.

To the witnesses from FINTRAC, you said that in some of the cases you identified that appeared to involve suspicious activity connected to CERB, one of the indicators was accounts to which people were depositing CERB payments under many different names. I'm wondering about this when we talk about a CERB repayment amnesty for low-income folks. We know that if somebody has stolen someone's identity in order to claim CERB...or in some cases, there were stories about people who went into seniors' blocks and told them that they were eligible—when in fact they weren't—and who were taking a certain amount of their CERB payment as a kind of fee for “helping” them access a government program. I'm using air quotes there because obviously that was fraudulent activity.

Do you believe that a repayment amnesty for low-income folks might help them be more upfront and forthright with government about what happened to them and how it happened, in order to catch some of the real fraudsters who were clearly taking advantage of people?

Mr. Barry MacKillop: That's a good question. I certainly sympathize and empathize with those who are in those situations and are on low incomes and are being asked or forced to repay any money. I'm not sure that... When it comes to a broad amnesty, that's certainly well outside the scope of my responsibility, and I don't think I'm well positioned to make any comments with respect to that.

As a Canadian citizen, I would trust CRA, and I would trust what they're doing, how they're setting up the program and what they are doing to help as many Canadians as possible.

Mr. Daniel Blaikie: That's fair enough.

I will take my remaining time to make the point that I do think people often are embarrassed when they're taken advantage of. They're scared when they're financially vulnerable and have to deal with large organizations that they don't usually deal with and they're not familiar with the language. They're afraid of further consequences.

It can make it very difficult for them to co-operate when there's that financial threat, so having an amnesty for folks to be able to tell their story and not fear further repercussions is certainly one element in catching the actual fraudsters.

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

Now we're moving to the Conservatives and Mr. Stewart for five minutes.

Mr. Adam Chambers: Thank you, Mr. Chair. I'm going to step in for my colleague just briefly, with your indulgence.

The Chair: Go ahead, Mr. Chambers.

Mr. Adam Chambers: Thank you.

Perhaps following up, for the chamber and the tourism sector, there are multiple reasons that business revenues may be down. Obviously, of course, the largest contributor would be the current environment of COVID and people's decrease in discretionary spending and travel, but there are other reasons and factors that we haven't spoken about today, and one would be the lack of availability of labour. If you'd like to touch on that, I'd like to give you this opportunity. I know that in my riding there are a number of restaurants in particular, along with other businesses in the hospitality sector, that have had to close or to shorten hours based on availability of labour. If they're not open, it's impossible for them to make revenue, so that would be one factor.

The other would be a government that introduces inconsistent, redundant and confusing rules with respect to travel and the effect that has on decreasing people's willingness to go out and travel or spend money and book to come home. As part of the recovery, I think it's important that we also need to consider the effect that some government programs and rules have on individuals in terms of their willingness to re-enter the travel and tourism markets and to spend money like they did previously.

Could we start with the chamber, if it's easier, and then go to the tourism sector?

Mr. Mark Agnew: Thank you for the question.

Absolutely, on labour shortages, we hear this time and time again, and not just in the travel and tourism sectors but across the board in many industries. That probably begets a future study for the FINA committee.

In terms of the travel restrictions, absolutely: It has become infinitely more confusing for people to navigate. I'll be honest. Even for people like me, who are supposed to be following this stuff day in and day out, it is becoming more complicated, because it varies by what country you are coming from, how long you have been out of the country and what your mode of transportation is. I saw a journalist tweet out several flow charts recently—not one flow chart, but several flow charts. We shouldn't have to make it this complicated. We need to make sure the system is as coherent and as science-based as possible. Show us the evidence and then show us the data to justify why the rules are what they are.

● (1905)

Ms. Beth Potter: Thanks, Mark.

I completely agree with what Mark has just said.

There are other things that need to be taken into consideration. Our industry was hit with all of these restrictions, and because of the complete shutdown, the lockdown and the closed borders, we had to lay off an inordinate number of our employees. That has caused some reputational damage. We are now seen as an unstable industry in which to work. We are now going to have to do a lot of work to rebuild our reputation as a great place to work and a great place to have a career.

On top of that, you talk about the narrative. Absolutely, we need to look at encouraging Canadians to get back to travelling again. We need to rebuild consumer confidence in travel. One way of doing that is by really encouraging businesses to return to offices. The other way of doing it is having one pan-Canadian system for travel so that we are not causing confusion for the traveller: Once they get into Canada, they're in Canada, and there should not be differences in moving from province to province or from province to territory.

Mr. Adam Chambers: Thank you very much, Ms. Potter and Mr. Agnew.

I will yield the rest of my remaining time.

Mr. Jake Stewart: Thank you.

Through the chair to the members of the committee, given the testimony today and the business at hand, I think it would be prudent for the committee to invite the Canada Revenue Agency to appear tomorrow or on another day before this bill gets through, because I think that on a lot of questions, they could be overseeing the legislation, and there are a lot of questions we could do well to ask the CRA. I just want to know if I could propose that as a motion to see if we can get support for it.

The Chair: On this point, go ahead, Ms. Dzerowicz.

Ms. Julie Dzerowicz: I think that perhaps having CRA officials might be a good idea. If the opposition would be amenable to having them tomorrow or Friday, I think that could be arranged.

Mr. Jake Stewart: I think the main point is that we just invite them and try to get them here as quickly as they can come.

The Chair: Mr. Clerk, do we have some room for Friday?

The Clerk of the Committee (Mr. Alexandre Roger): As you mentioned yesterday, we have the finance minister from 11 until 1 tomorrow and then we have a panel of witnesses from 3:30 to 5:30 with the witnesses that the party submitted to me. For Friday, I have invited the minister of heritage, but I have not heard from the minister of heritage yet. There would be room for CRA to appear at that time if the committee so chooses.

Mr. Jake Stewart: Do you mean on Thursday or on Friday?

The Clerk: No, Thursday is full because we have the Minister of Finance from 11 to 1 and then a panel, just like today, from 3:30 until 5:30.

Mr. Jake Stewart: What do you think, boys?

I move to have CRA invited to appear this week if possible, but if not, then after this week.

The Chair: Go ahead, Ms. Chatel.

Mrs. Sophie Chatel: I have a question. Should we know the specific topic that we will ask CRA?

Ms. Julie Dzerowicz: It's anything as long as it is related to this bill.

Mrs. Sophie Chatel: It's a big organization, so maybe it should be things specific to this bill, but maybe my colleagues might be also interested in the fraudulence.

The Chair: I will recognize Mr. Chambers and Mr. Blaikie, and then I think Mr. Stewart wanted to speak.

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

I think it would be safe to recommend that officials review the questions that were posed to officials yesterday and then send individuals who would be capable of answering those questions that were unanswered yesterday. I think that would be at least a place to start, and then we could go from there.

The Chair: Go ahead, Mr. Blaikie.

• (1910)

Mr. Daniel Blaikie: Agreed.

The Chair: Go ahead, Mr. Stewart.

Mr. Jake Stewart: I totally agree. Obviously in a perfect world we could have the minister and the deputy and a couple of the staff members who could answer yesterday's questions, but I agree as well.

The Chair: We will look to bring in the officials from the CRA.

Mr. Clerk, let's see if we can get them in here on Friday, December 10.

(Motion agreed to)

The Chair: We're going to finish off this round. We are moving to the Liberals for five minutes.

Ms. Dzerowicz, you have the floor.

Mr. Jake Stewart: Mr. Chair, was the motion passed?

The Chair: The motion was passed. I did see that—

Ms. Julie Dzerowicz: There was no disagreement.

Voices: Oh, oh!

The Chair: I didn't see any disagreement. I thought everybody was on the same page, but I shouldn't assume anything after our first day on committee.

Yes, it has passed, and we are moving to Ms. Dzerowicz.

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

I'm going to try to save the last minute or minute and a half for Ms. May, who I believe might also have a question. My question is actually directed to l'Union des artistes.

[Translation]

I am just going to speak in English, because I'm a little shy speaking in French. My apologies.

Mr. Michel Laperrière: You have a lovely accent.

You can do it.

Ms. Julie Dzerowicz: Thank you.

[English]

In my riding of Davenport, I have a huge group of artists and people who work in the cultural sector. I have a lot of heart for them and I'm one of their biggest champions. Now, that being said, this Bill C-2 is not intended to actually address additional supports for the arts sector. However, that said, we have made a commitment to the arts sector to provide some additional emergency supports because we know that artists have been disproportionately impacted and we know it's going to take more time for them to come out on the positive side as we try to move through this pandemic. The Minister of Canadian Heritage, Pablo Rodriguez, has committed to developing a plan to support self-employed cultural sector workers, and I've actually held a couple of round tables in my riding with my artists to get their best ideas.

Mr. Laperrière, what recommendations would you have for such a program, based on your experience in supporting artists?

[Translation]

Did you understand the question?

Mr. Michel Laperrière: From my experience with this kind of program, the important things are accountability and that the structure be as light as possible, so that the available money can actually go to the artists who need it. Too often, the programs are basically very well-intentioned. That is not at all where the problem lies. It lies with the way in which they are developed, meaning that the money does not go to the artists themselves. So I would urge you to be careful with that kind of program.

This is why I am bragging about the experience that I have had with the government of my province. It is important for any plan to be as effective as that one. I will gladly suggest mine to you, if that can help you and everyone in my family of artists in Quebec and Canada. In my view, the most important things are accountability and that the structure be as flexible as possible so that the money actually goes to the artists.

Ms. Julie Dzerowicz: Thank you.

[English]

Mr. Laperrière, if you could send your recommendations to us in writing, that would be very helpful to the committee. As you said, keep it simple and keep it flexible and directed to individuals. I think that would be very helpful to us.

I have a minute and a half left, so I'll cede my time to Ms. May.

[Translation]

Mr. Michel Laperrière: Thank you, Ms. Dzerowicz.

Ms. Julie Dzerowicz: My pleasure.

[English]

The Chair: Excellent.

I think Ms. May is virtual.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Yes, I'm joining you virtually.

I have to start by thanking Julie for the bit of time.

I'll be very brief. I'm going to ask questions of Beth Potter from the Tourism Industry Association of Canada.

It's the first time we've met, and I want to congratulate you on your position. I'm sure you're sick of hearing people say, "We'll all miss Charlotte Bell forever." It was a tragic loss, but I'm sure you're going to do an excellent job.

My question is this. I have a lot of tourism industry people in my riding, and they all support this bill and want to see it passed. However, it's not adequate to meet the challenges of the tourism industry right now. For instance, there are different rules if you're coming into Canada by ground rather than by boat. There are different rules such that you can get rent help, but you can't get wharfage help if you happen to be the kind of business that relies on taking people out on the water. There's so much more that needs to be done for the tourism sector.

I want to give you some time to suggest some of the other things that we, as members of Parliament, should be looking for to help.

• (1915)

Ms. Beth Potter: Thank you, Ms. May. I really appreciate your kind words.

Our industry is unique, and there's no getting around that. We're an industry that brings people together. We're an industry that ebbs and flows with not only the weather but the seasons. At this point, we are looking for every possible way we can rebuild the industry to what it used to be, to get back to the vibrant industry that was growing and employing close to a million people here in Canada.

We are an industry made up of seasonal businesses, and we continue to work with finance officials on the background of this bill to make sure that seasonal businesses will be able to take advantage of the tourism and hospitality recovery program. We are not only continuing to look for ways in which we can encourage Canadians to get out and explore their own country, but also looking for a pan-Canadian approach to moving people back and forth across our borders.

The Chair: Thank you so much, Ms. Potter.

Ms. May, thank you for joining our committee for our third and last round with these witnesses.

On behalf of all the members of the Standing Committee on Finance, all the staff, all the interpreters and everybody here, thank you very much for your testimony. We thank you for what you do, and all your members. We are hopeful that Bill C-2 will bring the supports that are required by industries that have been very hard hit and hurt. Thank you very much.

That concludes our meeting for today.

We are adjourned until tomorrow at 11 a.m.

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