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April 5th, 2020

The Honourable William Morneau, P.C., M.P.
Minister of Finance
Department of Finance Canada
90 Elgin Street Ottawa, ON K1A 0G5

The Honourable Mary Ng, P.C., M.P.
Minister of Small Business and Export Promotion
Rm 461 Confederation Building
Ottawa, ON K1A 0A6

Dear Minister Morneau and Minister Ng,

We are writing to you today to share our deep concerns with the roll-out of the Canada Emergency Wage Subsidy and Canada Emergency Relief Benefit. While both of these historic initiatives were welcome, there are still many Canadians who will receive no help from these programs and there are far too many questions and concerns from people across Canada that must be addressed.

Many small businesses, not-for-profits, non-profits, and charities need clarity about whether or not they will qualify for the wage subsidy. We have heard from a number of organizations who were initially led to believe they would qualify only to be told a few days later there are far more restrictions and qualifications. Not only is there a need to be more transparent with Canadians, but there must be clearer communications about what they can expect.

The wage subsidy, in its current iteration, leaves too many Canadians falling through the cracks. To address these shortfalls, we would recommend taking the following actions:

- Remove the 30% drop in revenue requirement for SMEs with fewer than 50 employees. Many organizations have grown significantly in the past year or are seeing significant spikes in revenue right now. In either case, neither would qualify for the wage subsidy but still need the support to get through the next couple of months. Removing this requirement would remove a significant amount of uncertainty.
- Remove payroll limits on the \$40,000 loan through the Canada Emergency Business Account so that sole proprietors with limited payroll can access it, and offer a \$10,000 immediate grant to enterprises who need help now in place of a reward for repayment of the loan. This action would allow the diversity of Canadian and Indigenous enterprises to apply for support and give an immediate injection of much needed critical cash.
- Ensure every measure is being taken to speed-up the timeline to allow businesses to apply for support. The current 3 to 6 week timeline is far too vague for businesses to make definitive plans, and yet your government is telling businesses to re-hire and retain staff now. A lot of businesses operate on a week-to-week basis and can't wait as long as 6 weeks to apply and then even longer to receive support.

Local business owners have closed their doors to help flatten the curve and to lead by example in protecting public health. But now they are learning that if they have too much income, like



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donations or meagre stipends to pay volunteers that serve as firefighters, ambulance drivers, or locally elected officials, they don't qualify. This needs to be adjusted quickly.

We have also heard from several enterprises and workers about issues with the CERB. Part-time employees that have reduced hours or have lost other part-time jobs are living on significantly reduced incomes and still don't qualify for CERB. The consequences are that they are now asking to be laid off or furloughed so that they can access the CERB. This is causing significant disruptions to normal business, to essential services, and to community contributions on local economies.

Businesses that rely on seasonal workers or student workers over the coming months don't know if they'll be able to open their doors and bring in more staff. While they can stay open now, they may not have the resources needed to hire seasonal or student staff. This affects the future revenue of the employer, and the supports that students and workers rely on. The CERB needs to be more inclusive to include more people who are losing income now and will be losing income in the coming months.

To better support those businesses and organizations that are working so hard to take care of their employees, we ask that you:

- Work with banks and lenders to put a freeze on rent, mortgage, utility, and other fixed expenses that business incur. Follow the lead of other countries like Denmark, France, South Korea, and Australia to support small businesses and provide the assurance businesses need that there will be a strong future ahead. This would allow more enterprises to focus their limited revenue on supporting staff and protecting future revenues.
- Improve the CERB with a universal direct payment for all people in Canada. Doing this would provide all Canadians, including part-time and seasonal workers, with assurances so that they can more confidently plan their finances in the coming months.

Thank you for your consideration of these issues. Moving ahead with these measures would help businesses and the people who run and work in them feel more confident during this unprecedented time. We look forward to your response.

Sincerely,

Gord Johns, MP
Courtenay – Alberni
NDP Critic for Economic Development
and Small Business

Peter Julian, MP
New Westminster – Burnaby
NDP Critic for Finance