EXECUTIVE SUMMARY

The COVID-19 pandemic has quickly swept across the globe, infecting millions of people and killing hundreds of thousands. It will take a great deal of effort to bring the disease under control, which, at this point, shows no signs of abating.

While Canada has not been hit as hard as some countries, the pandemic has nonetheless threatened many Canadians' health. It has also severely disrupted the Canadian economy, putting millions of Canadians out of work and jeopardizing the sustainability of tens of thousands of businesses.

To respond to the economic crisis brought on by the pandemic, the federal government worked closely with provinces, territories and Indigenous governments to put in place a myriad of emergency financial supports to keep Canadians afloat.

The cost of these programs **is more than $212 billion and climbing.**

Additionally, the Bank of Canada quickly lowered its benchmark interest rate to 0.25% and established several large-scale asset purchasing programs to increase liquidity in core funding markets. When combined with other programs, the total amount of credit and liquidity support is $686 billion.

Parliament rapidly adopted legislation to authorize this emergency spending. To hold the government to account, the Senate authorized the National Finance Committee to study the emergency legislation, the government's response to the COVID-19 pandemic and its economic consequences.

To date

8 committee meetings

55 witnesses heard

53 written briefs received

Many witnesses expressed sincere appreciation for the financial supports that have been put in place. Indeed, the government’s response has likely prevented financial devastation for millions of Canadians and avoided what could have been a much worse economic crash. Canadians are also to be commended for their cooperation in following public health advice and resilience in the face of economic hardship.

However, the committee recognizes that:

Many Canadians have fallen through the cracks, as gaps remain.

Some people are still left wondering how they will cope without adequate employment opportunities,

and some businesses and individuals in need are not eligible for financial assistance under current program terms.

To help them find their way through this crisis, Canadians need to have predictable and reliable support.

The committee is concerned that the government has not provided sufficient clarity to Canadians who will continue to be unemployed or are unable to find full-time work and to businesses that are looking to reopen. To provide continuing support to Canadians, while giving them the confidence they can return to work safely, the federal government needs to **clarify how it will help those who remain unemployed when the Canada Emergency Response Benefit runs out, as well as provide declining benefits based on income**, rather than a strict cut-off.

The Canadian Emergency Response Benefit has helped many Canadians avoid extreme financial hardship during this crisis. It is not a permanent solution. To make sure all Canadians have sufficient means to meet basic needs, **the Government of Canada, with provinces, territories and Indigenous governments, should give full, fair and priority consideration to a basic income guarantee.**

While the Canada Emergency Wage Subsidy is providing valuable financial assistance to many businesses, the committee does not believe a business should be ineligible from all support simply because its revenue declined by one percent below the threshold. **The government should consider adopting a progressive, or scalable, eligibility threshold for the Canada Emergency Wage Subsidy, and extend its duration for particularly hard-hit sectors.**

The committee is also concerned by the lack of accountability and transparency for government spending. The committee believes that **it is time to return to traditional procedures for approval by Parliament of government spending in order to provide appropriate oversight of government expenditures.**

Lastly, Canadians and Parliamentarians need to have a clear picture of the state of the government's finances on a regular basis. **The government should release an economic and fiscal update quarterly for the duration of the economic crisis.**

Addressing these issues, as well as additional ones listed in this report, would help mitigate or eliminate any gaps to enable Canadians to pull through, leaving no one behind.
The government also needs to begin soon the process of laying out a plan of how to rebuild the economy. **In the fall, the committee will continue its study and examine how to build a smarter, fairer and more sustainable economy.**

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