

October 6<sup>th</sup>, 2021

The Honourable Chrystia Freeland, P.C. MP  
Deputy Prime Minister and Minister of Finance  
House of Commons  
Ottawa, Ontario K1A 0A6

Dear Minister Freeland,

On behalf of the 95,000 small- and medium-sized enterprises (SMEs) that are members of the Canadian Federation of Independent Business (CFIB), we would like to congratulate you on your recent re-election as Member of Parliament for University-Rosedale. We also congratulate you on being reappointed as Deputy Prime Minister and Minister of Finance. We have appreciated your willingness to listen to our members' concerns in our regular touchpoints and the efforts you have made to try and help small businesses through a difficult time.

Our latest Small Business Recovery Dashboard shows that 76% of small businesses are fully open, 45% are fully staffed and only 40% are making normal sales.<sup>1</sup> As we shared in our recent telephone conversation, our September [Business Barometer](#) showed a significant drop in business outlook - the largest drop we have seen since the beginning of the pandemic. A large proportion of small businesses are still facing major hurdles including, increased uncertainty due to the fourth wave, ongoing capacity restrictions, cashflow concerns, a growing shortage of labour, and rapidly rising costs. Clearly many small businesses remain worried about their future and need certainty to help them through the next several months. As a result, **we ask that you immediately extend The Canada Emergency Wage Subsidy (CEWS) and Canada Emergency Rent Subsidy (CERS) to November 20th** as outlined in Bill C-30 as these programs are to expire on October 23rd. **We also ask that your government immediately start working on new legislation to extend these programs beyond November and build on your party's election promise to return to the maximum wage and rent subsidies of 75% to get the tourism sector through the winter. It is critical that this promise be extended to all sectors of the economy and include new businesses that started after the pandemic began.** We also suggest you **extend the programs to March 31, 2022, the same date your party promised it would use to extend the Canada Recovery Hiring Program** - a commitment we strongly support. For small businesses that continue to be affected by the COVID-19 pandemic this is an urgent matter and they will be counting on you and your parliamentary colleagues to move quickly. As the NDP and Green Party made election commitments to extend wage and rent supports until all COVID restrictions are over, we believe legislation in this area should receive swift approval once introduced.

In addition, the majority of SMEs (73%) have had to take on significant amounts of debt, averaging \$170,000 per business.<sup>2</sup> **To help them deal with this debt, we ask that you look at implementing further rounds of funding through the Canada Emergency Business Account (CEBA) loan, as well as delay the deadline to pay back the loan from the end of 2022 to the end of 2024 when more businesses will be back to normal sales.** Specifically, we believe a reopened CEBA program should raise the maximum loan amount to at least \$80,000, increase the forgivable percentage to 50%, include

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<sup>1</sup> <https://www.smallbusinesseveryday.ca/dashboard/>

<sup>2</sup> <https://content.cfib-fcei.ca/sites/default/files/2021-08/Small-Business-Debt-The-COVID-19-Impact.pdf>

new and micro-sized businesses and delay full repayment requirements until the end of 2024. As the Conservative Party made proposals to build on your government's successful CEBA program, we believe such a change would receive broad support.

We also noted the Liberal election commitment to provide provinces with \$1 billion to help with the costs associated with introducing a vaccine passport system. **As most of the associated costs with administering a vaccine passport system are being borne by small business owners, we ask that the federal government ask the provinces to dedicate this \$1 billion funding to help affected small businesses with their vaccine passport related costs by providing them with provincial grants to cover their required staffing and technology costs.**

In addition, we believe the current structure of the Canada Recovery Benefit (CRB) is contributing to a growing shortage of part-time labour availability across Canada – one of the top concerns among small business owners. A small firm will not be able to recover if it is not able to meet demand for its products and services due to a lack of staff. While we recognize that many workers and self-employed business owners may still require CRB benefits, many part-time workers are earning more on the program than when working. **CFIB proposes that the CRB be changed to ensure no one is earning more than they were pre-pandemic and that existing EI rules requiring workers to return to their positions when recalled or to be available and looking for work be enforced.** The Bloc Quebecois has proposed changes to the CRB to address labour shortages, so we believe there is an opportunity to adjust the program.

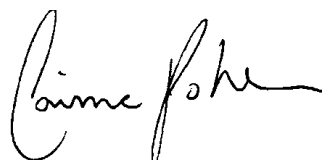
This new Parliament is an opportunity for policymakers to put forward ideas to help small businesses recover and rebuild the economy by implementing measures that will enable them to prosper post-pandemic. CFIB has provided feedback and information to the Government on several COVID-19 relief programs. We are eager and available to continue to work with you to help find solutions to current small business issues. **In this context, we would like to request a meeting with you to share some of CFIB's latest research on small business issues and discuss the most important concerns of SMEs.**

We would like to once again extend our congratulations on your election victory and reappointment as Deputy Prime Minister and Minister of Finance. The entire CFIB team is available to you and your staff at any time to work on ways to help Canadian small businesses grow and prosper.

Sincerely,



Dan Kelly  
President and CEO



Corinne Pohlmann  
Senior Vice President, National Affairs  
and Partnerships