



House of Commons
CANADA

Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities

HUMA • NUMBER 006 • 1st SESSION • 39th PARLIAMENT

EVIDENCE

Thursday, June 8, 2006

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Chair

Mr. Dean Allison

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• (0905)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): I call this meeting to order.

I want to thank the witnesses for being here on time and ready to go. I know that we have a few member who will be coming in as we get started.

Before we get started, pursuant to Standing Order 108(2), the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities continues this morning with the study on employability in Canada. I believe we have some witnesses from the Department of Human Resources and Social Development.

I will let you begin. Once again, thank you for being here this morning.

Mr. Andrew Treusch (Assistant Deputy Minister, Strategic Policy and Planning, Department of Human Resources and Social Development): Thank you very much, Mr. Chairman. Good morning to you and to all members of the committee.

My name is Andrew Treusch, and I'm representing the Department of Human Resources and Social Development. I'm accompanied by colleagues: Ms. Donna Kirby, Mr. Peter Larose, Mr. John Atherton, Ms. Barbara Glover, and Monsieur Sylvain Segard. It's a very great pleasure to be here.

I will situate us. This is the second of our presentations to you as a committee. In the first, on June 1, our delegation was led by Ms. Karen Jackson and a number of officials. She gave you an overview on human capital development, as well as information on skilled worker shortages, labour mobility, and recognition of foreign credentials.

Today we will continue our presentations. You should have with you four sets of information related to seasonal workers, older workers, adjustment, and workplace literacy.

[Translation]

Once again, we have provided documentation on these issues in both official languages, with a focus on facts and research which may be of interest.

[English]

In addition, I would like to assure you that we are in the process of providing written responses to the questions asked of us at the previous session. Three information requests were made of us: first, about differences in access to post-secondary education for persons residing in rural and urban areas; second, about the cost to doctors of credential assessment; and third, about the relationship between EI and mobility.

On this last, I have familiarized myself with three or four studies and would be happy to answer a question in that regard today, pending the formal written response to the committee. This information will be provided to the clerk within the next few days, along with any other responses to the questions you may put to us today.

Previously we spoke to you about the drivers for change and their impact on the labour market. I want to expand on those, with a brief depiction of how we see the Canadian economy and the labour market adjusting to external pressures, as well as to changes here at home. This process is quite relevant to the challenges, as we see them, that relate to the employment issues you've raised with us: seasonal and older workers, as well as the issues of literacy in the workplace.

Now, it is worth restating that Canada's economy and labour market are performing very well. Not only are our macroeconomic indicators strong, but Canada's participation rate of 67.2%, in April of this year, is exceptional by historic and international standards, as is our unemployment rate of 6.4%.

[Translation]

However good our performance is, there are always difficulties and changes we must face if we intend to maintain or even improve this performance. The main factors at play are an aging population, the commodities boom, the rising dollar, globalization and an increasingly competitive environment as well as an ongoing transition towards a knowledge-based economy.

● (0910)

[*English*]

Responding to these drivers will be important to achieve both social and economic objectives and will require that we focus increased attention on increasing labour market participation through better recognition of immigrant credentials and by removing barriers to work; improving skills and promoting lifelong learning, including increased opportunity for adult re-skilling; increasing labour market efficiency and flexibility by reducing barriers to mobility and improving the flow of labour market information; reducing economic security, so individuals are better able to manage these transitions; and finally, supporting adjustment processes for individual sectors and communities to adapt to these changing economic realities.

In terms of the decks, I do not propose to present them to the committee today, due to their length, but I will highlight a few features of each.

With respect to labour market adjustment, first,

[*Translation*]

The Canadian economy is constantly changing. These changes are inevitable and crucial to both growth and prosperity. In order to adapt, we simply intend to shift the focus of our resources from less productive activities to more productive sectors.

Over the years, our economy has undergone a huge structural change, having shifted its focus, to a certain extent, from the manufactured goods industry to the service industry. These changes have led to the sudden arrival, and departure, of a large number of employees, and have created both opportunities and obstacles as the markets attempt to balance supply and demand.

[*English*]

Canada does well on adjustment. International organizations such as the Organisation for Economic Co-operation and Development attest to it, as does the International Monetary Fund, which rates our capacity for adjustment as high.

That means, for the most part, individuals make successful transitions as firms expand or decline and this economy changes. Well-functioning markets and a national pool of skilled, mobile workers contribute to reducing the imbalances in supply and demand experienced in some sectors and regions.

Nevertheless, more must be done. Skill shortages in growing regions and sectors reflect strong national and regional economies, combined with slower labour force growth and rising skill requirements. These upside adjustment challenges have the potential, if not addressed, to limit Canada's growth, if firms cannot find the workers and the other resources to expand and meet labour market demand.

So this structural evolution has a differential impact on the adaptation of individuals, communities, firms and sectors. Older workers, for example, while doing well overall, do take longer in general to find employment than younger Canadians, to return to work once they experience unemployment.

The issue of seasonal workers also illustrates some of the dynamics of adjustment and both the challenges and opportunities. With respect to seasonal workers, the seasonality of the Canadian economy has gradually diminished over the years, reflecting a decline in seasonal primary industries; technological advances; and the falling share of youth in the labour force, who traditionally rely on seasonal employment as a primary source of income.

Some regions are more seasonal than others, particularly Atlantic Canada, but seasonal employment is present in all regions across Canada. In fact, over half of seasonal workers are located in Ontario and Quebec. They represent a higher proportion of the workforce in Atlantic Canada due to the concentration of seasonal industries there.

For some individuals, seasonal work is welcome. It supports their preference for other activities, such as providing temporary opportunities for individuals to gain valuable work experience—such as students—or in certain regions, allowing residents to remain in their communities. However, for others, recurring seasonal employment may create challenges. For example, workers in undiversified remote communities are less likely to find alternate employment opportunities in the off-season, due to the nature of their employment.

With respect to older workers, Canada's population structure is changing; population aging is accelerating. The share of the population age 65 and over is forecast to expand rapidly in the coming decades, and this expected increase will be most pronounced in the Atlantic provinces and Quebec. Aging brings forth a number of challenges in a Canadian context. Its most significant effect for us is on future labour supply growth. Slower labour force growth can lead to a slowdown in economic growth rates and in the growth of our living standards. As a result, among other populations, it's notable that older workers—and here I'm speaking of workers between the ages of 55 and 64—will be an increasingly important source of experienced labour.

● (0915)

[*Translation*]

As the population in the Atlantic and Quebec regions is aging more rapidly and is saddled with, on average, a lower labour force participation rate, aging will be even more detrimental to labour supply.

[*English*]

As the population ages, older workers are becoming an increasingly important part of the workforce but continue to face barriers to remain in, and return to, employment—issues such as the currency of their skills, literacy, and other essential skills.

I will mention that I have brought with me today the 2005 report on Canada's aging and employment policies, a report of the OECD, which I would be very pleased to leave with the clerk of the committee. It provides both a review of Canada's performance in an international context and some recommendations that may be of interest to committee members.

In closing, I would now like to conclude with a brief reference to workplace literacy. It is clear that the Canadian workforce needs to be highly skilled and adaptable to compete in this global economy, and a foundation for skills development surely is literacy and numeracy and a propensity to lifelong learning.

[*Translation*]

In a knowledge economy, the labour market not only requires superior skills, but also constant upgrading and retraining of acquired skills. Better literacy promotes learning, makes transitions smoother and helps workers adapt more easily to changing professional demands.

[*English*]

There is a convergence of change both in our economy and society, this shift towards a knowledge-based economy combined with a low incidence in Canada of workplace training, which is resulting in some significant changes. And you will find much more data on the incidence of our literacy issue by sector, by region, by age, and by other factors in the deck that we've made available you.

I thank you for your indulgence, Mr. Chair, in hearing me thus far.

[*Translation*]

We would be glad to answer your questions.

[*English*]

The Chair: Thank you.

We'll start our first round of questioning, which will be seven minutes.

Mr. D'Amours.

[*Translation*]

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Thank you very much, Mr. Chairman.

Thank you for your presentation, Mr. Treusch. I'd like to broach a number of the issues you raised.

First, on page 2 of your brief concerning seasonal workers—or perhaps we should refer rather to seasonal work—you said that in many Nordic countries, seasonal work is a key component of the labour market.

That is interesting. Maybe that means we can finally recognize the work these people do across various industries throughout Canada whether it be in the building, farming, fisheries or tourism industry. As far as the fishery and agricultural sector is concerned, obviously we're not going to grow potatoes right in the downtown core of Toronto. Clearly, we need rural regions, where seasonal work is common place, so that we can provide these goods.

I'd like to focus on two points related to seasonal work and labour in general. First, as you know, I tabled a private member's bill so that

people entitled to employment insurance benefits will no longer have to wait two weeks. We all know that the waiting period sometimes exceed two weeks. It can stretch out to four, five, six, seven and even eight weeks before a person in need gets his first cheque. This is unacceptable, in my opinion.

Some of us may be able to afford to wait two months before getting a pay cheque while still paying for groceries, the telephone and electricity bills, and their mortgage. But I'm not convinced that someone who loses his job has enough money in the bank to go two months without an income.

This is no longer the 1930s where you could go to the general store and buy material and food on credit. From what I understand the rationale behind the two-week waiting period, in the past, very little, if at all anything, was computerized. All the calculations had to be done more or less manually. In our days, all you have to do is push a button to know somebody's entire history.

I'd like you to comment on the scrapping of the waiting period. This would be an acknowledgement of peoples' needs. If someone is going to get employment insurance benefits for 26 weeks, he or she should at least be able to get a first cheque a few days after visiting an employment centre. The person may not receive the entire amount immediately, but at least it would help to pay the bills. You can't escape it, somebody has to buy food. And I don't think anybody here is about to offer to pay a needy person's bills. We need to find a way of helping such people, and one way of doing this would be for the government to be more flexible.

Could you comment on this.

• (0920)

[*English*]

Mr. Andrew Treusch: Thank you, Mr. Chair.

I think the member raises two issues. One is the incidence and nature of seasonal work in the Canadian economy in reference to Nordic countries. Certainly while Canada has still a fair bit of seasonal work, it clearly does relate to our northern geography, our climate. It also relates to the continued importance of natural resources extraction in the economy, and it does relate to rural and remote populations. So I essentially agree with that.

You'll note in the deck, however—and it's actually quite important to remind ourselves of this—on page 5, that over half of seasonal workers are in fact in the service industry, and some of these as well, if you think of things like tourism, also have a summer coincidence. There is perhaps a broader set of seasonal work than is often thought to be the case, and it's important to remember as well that a large number of these people are students, although different data sets have given different estimates there.

On the second point regarding the two-week waiting period, it would seem to be a policy issue that the member is raising. He's made reference to a private member's bill, and so I assume our members of Parliament will debate that and will put their arguments accordingly.

In the term “employment insurance program”, the second word I would focus on is “insurance”. We tried to preserve some of its insurance features. It's not inconsistent with an insurance program to have a short waiting period. It does then presumably protect the program against very short-term churn, where you might have people trying to apply and going through the administration, for periods that were shorter than that. One should remember as well that in those circumstances, depending upon the nature of the employment, sometimes severance is available for the individuals themselves, although this is probably less likely with respect to seasonal work.

So this is something that obviously we will be looking at insofar as it arises in your private member's bill.

[*Translation*]

Mr. Jean-Claude D'Amours: I know I only have a minute left, but tell me if I'm right.

When SARS broke out in the Toronto region, people who qualified for employment insurance benefits didn't have to wait two weeks before getting a cheque. If it's good for some, why not for others?

People living in the Atlantic regions where there is a lot of seasonal work know that there will be job losses, but they don't know when exactly. It usually depends on the weather. So if it's good for the goose, why not for the gander? What's the good of having a principle if it is not applied evenly? If this was the case, it was because people realized there was a need. If there's a need, why not apply this principle to every region in Canada and not only to a particular group in a particular situation?

• (0925)

[*English*]

Mr. Andrew Treusch: Mr. Atherton, from employment programs, will respond.

Mr. John Atherton (Director General, Active Employment Measures, Department of Human Resources and Social Development): I would suggest that the situation with SARS was a very specific and very rare occurrence. It was judged to be a national medical emergency. And the people in question were not yet sick, but it was feared that they might be sick as a result of contact with SARS, and so in an effort to get people out of the workplace and let them leave the workplace as quickly as possible, there was a deferral of the two-week waiting period in that case.

In my memory, it was the only time in which this has happened, and it surrounded a medical emergency of quite serious proportions, so I would put that on the table.

The Chair: Thank you.

We'll move to our next questioner.

Mr. Lessard, seven minutes, please.

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Thank you, Mr. Chairman. I'd like to thank you, Mr. Treusch, for your presentation. I'd also like to thank your colleagues for being here today and providing us with this information.

When you described the lay of the land, you said that currently the economy is at an all-time high in terms of profitability and performance. You're responsible for social programs which also help people in tough times. One need only think of employment insurance, skills development, literacy, and so on and so forth.

Maybe you can clarify this for me, but I'm always surprised that there is such a heavy focus in most presentations on economic performance and far less emphasis placed on the harsh realities of unemployment, housing, training and employment. Let me use poverty, by way of example. We were told again recently that there are fewer poor people for the very reason that the economy is doing well. At the same time, we see the poor getting poorer. One indicator clearly demonstrates this: food banks are increasingly in demand. Representatives from the Canadian Association of Food Banks told us last year that in Canada, 850,000 people, including 250,000 children, got food from food banks. This year, the figure jumped higher. We were told recently there were 317,000 children. This brings me to my question. I gave you that little outline so my question would be clear.

To what degree does this issue concern you? Do you spend much time thinking about the plight in which those that lose their jobs find themselves in?

I believe that the fact unemployment insurance is not very accessible contributes to making families poorer. I'd like to hear your comments on the two aspects I just referred to, namely the real plight of the poor and particularly the impact of employment insurance on their situation.

[*English*]

Mr. Andrew Treusch: Thank you. It is a very challenging question from the member, Mr. Chair.

First, if I may just quibble a bit, I don't think I said that the Canadian economy is at full capacity or is going gangbusters. The message I meant to relay is that, compared to many other industrialized countries, the Canadian economy and the labour market in particular are performing very well. Looking backwards over a long series of years, the Canadian economy and the labour market have never performed better.

This is not to say that we do not have problems, serious challenges for individuals, for communities, for regions. And indeed, we would not be coming with information on some of these challenges of adjustment, seasonal work, and older workers if we didn't think there were serious policy challenges withstanding.

I do agree as well with the minister, of course, that if there were simply no problems, then perhaps the department could shut its doors and there would be little need for much of our programming. Our programming obviously exists, along with provincial programming, to support individuals through these transitions, whether it's access to post-secondary education, whether it's training opportunities, or whether it's income support for people who lose their employment through no fault of their own.

Poverty is a very large subject. There is a tendency in many countries where disparities in market income have been widening. Canada is not alone. This really attaches great importance to the social safety net, not only to programs like employment assistance, but also to provincial social assistance regimes. So when you make reference to food banks and the like, you really have to look, I think, at the workings of employment insurance, social assistance, as well as the influence of the tax system there.

● (0930)

Obviously we have concerns about people who lose their jobs. That's the very *raison d'être* for employment insurance and for employment measures themselves, the part II programs, where funds are revealed to be available and either we co-manage them with provinces or, in many instances, provinces deliver those services as well.

I would just point out in closing that the tax system is not unimportant here. While I'm not an authority, in terms of some of these individuals and the hardships you refer to there are a couple of features of the last budget. Both the employment tax credit, which supports employment, and the working income tax benefit set out... there's a proposal that can be an additional inducement to support people in making the transition into the labour market.

The Chair: You have one minute, Monsieur Lessard.

[*Translation*]

Mr. Yves Lessard: You're right to say that sometimes comparing and contrasting what goes on elsewhere helps to give us a better understanding of where we are at.

Let's consider what goes on in Nordic countries—because as you so correctly pointed out, we are a Nordic country—like Norway, Finland and Sweden. Clearly, they have far more generous employment insurance programs, as far as access and number of weeks are concerned, than Canada, which is nevertheless a developed, industrialized country. Have you conducted a study on this? Why should we be maintaining a more restrictive employment insurance program, from the unemployed's point of view, than these Nordic countries?

[*English*]

The Chair: Let's have just a quick answer, and then we'll move on.

Mr. Andrew Treusch: My quick answer, Mr. Chair—I understand the time—is to make reference to two things: the monitoring and assessment report that we publish annually on employment insurance, and its coverage. There's much more information there than I can take the time of members to give today.

The Chair: We're going to move on to our next questioner.

Madame Savoie, you'll have seven minutes, please.

[*Translation*]

Ms. Denise Savoie (Victoria, NDP): Thank you. I'm pleased to join the committee as training and post-secondary education critic.

I'd like to continue with another question on employment insurance. We know that the eligibility criteria were tightened in the 1990s. What percentage of employment insurance revenue is used on training?

● (0935)

[*English*]

Mr. John Atherton: If you will just give me a minute, I'll give you the actual statistic. I know that \$2.1 billion a year is spent on active employment measures.

Ms. Denise Savoie: By comparison with...? What's the total?

Mr. John Atherton: It's by comparison with the total revenues that are collected with premiums. I'm not an expert on the premium side, so I need to find that number.

[*Translation*]

Ms. Denise Savoie: I can move on to my other question and we can come back to this later.

[*English*]

Mr. Andrew Treusch: We will have these numbers here.

[*Translation*]

Ms. Denise Savoie: Good.

You also talked about how important a skilled labour force is to our economic growth. We know studies show that the further back the worker's initial training was, at high school notably, the worse his or her literacy is. I was wondering if you could comment on Canada's private sector's role in training workers as compared to other countries. Nordic countries were referred to, for example. Can you comment on this?

[*English*]

Mr. Andrew Treusch: Thank you for the question.

Again, we can make some studies available on this, but I think I can, with confidence, think of two or three studies on private sector or workplace training. One of the most recent, I believe, was by the Conference Board. These suggest that in Canada we tend to have less workplace training than other countries. I think our performance has improved somewhat in recent years, but it still does not place Canada in step.

It's probable that some of this relates to the structure of our economy, both the sectoral composition as well as the fact that Canada has a great deal of small and medium-sized enterprises, which obviously have less capacity to offer workplace training.

The second phenomenon about workplace training that is troublesome—and I believe it's referenced in one of these decks here—is that it seems that people who are already well educated and already in a relatively strong employment situation are more likely to receive workplace training than those in more vulnerable jobs or those who have lower levels of education.

One of the thrusts of our workplace strategy is to promote essential skills in the workplace. If you've had a chance to peruse the deck, you'll see it's quite striking that there are about 9 million Canadians of labour force age who do not have the requisite level three in literacy and numeracy that they will require to succeed in the knowledge-based economy. One of the strategies the department has is to promote literacy and numeracy, what we call essential skills that employers are looking for in the workplace, and we're making some efforts in that regard.

Ms. Denise Savoie: I understand that level of literacy has not changed in approximately 10 years, which is a very disturbing trend. I assume that as part of this employability study we will look to policies that can both help remedy this very serious problem to Canada's competitiveness and help us move forward.

Do we have any way of identifying the level of underemployment? I was a city councillor for the city I lived in, and I met with a number of people who were barely making it in the economy, housing costs being so expensive. Judging from our discussions, they seemed radically underemployed, given their potential. I'm wondering if we have any way of assessing that, if you could comment on that.

And then I'd like to get the answer that I see John has.

• (0940)

Mr. Andrew Treusch: Yes, we'll turn to Mr. Atherton for those employment insurance data.

Quickly, on your first remarks about literacy, it's essentially correct that Canada's literacy results have not markedly changed in a decade. I can confirm that.

With respect to underemployment, I won't be able to give you an answer that does justice to it, but there is a great deal of information on it. There are many aspects to your question.

There is often a mismatch between the skills and the experience of the individual and their employment. For example, you will find people with higher educational credentials than needed for the employment they are doing. That's one example of a mismatch. And there are many reasons for it. As always in life, there is not one simple issue there. Sometimes the mismatches are regional, sometimes it's the individual's choice because they've changed their field, and sometimes it's poor performance of the labour market.

Underemployment, in the sense of those who have part-time employment, is in most cases voluntary. Most part-time employees are part-time because they choose to be. They're balancing home and work, or they're students balancing study and work. But part of part-time employment is involuntary. They are individuals who would rather have a full-time job.

There is also precarious employment. A growing phenomenon, of course, is to have contract employment or temporary employment, and some of those individuals obviously would prefer the greater stability or certainty of a permanent job or some of the other benefits that go with permanent employment. But in the modern economy we are seeing much more temporary employment as a phenomenon.

There is a great deal of information on these various subjects, Ms. Savoie.

Ms. Denise Savoie: Thank you.

The Chair: Mr. Atherton, may we have your response very quickly?

Mr. John Atherton: The number you were looking for can be found in the monitoring and assessment report. It's \$18.513 billion for the contributions, total premiums paid. It's \$2.1 billion for active measures.

Ms. Denise Savoie: For training?

Mr. John Atherton: For training. Now, the only caution I'll make on that is that the data for contributions comes from CCRA, so it lags a little bit. That data I gave you is from 2003.

Ms. Denise Savoie: So out of \$18 billion roughly...?

Mr. John Atherton: About 10% would be your number. It's in and around 10% of the premiums paid.

Ms. Denise Savoie: Thank you.

The Chair: Okay, we're going to move on to the last questioner of this round. I believe that we have Mr. Storseth, and he's going to share his time with Mr. Jean.

Mrs. Lynne Yelich (Blackstrap, CPC): I would like a copy of the report that was mentioned by Mr. Treusch.

The Chair: Yes, I believe they're going to table that. I believe we're going to table the report to the whole committee. So we'll make sure we get that out to everybody.

Mr. Storseth, seven minutes.

Mr. Brian Storseth (Westlock—St. Paul, CPC): Thank you, Mr. Chair.

I was actually going to let Mr. Jean go first.

The Chair: Well, that's okay. That's your prerogative.

Go ahead then, Mr. Jean.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Thank you very much to my colleague.

I'm from northern Alberta, and I can tell you that I find it very disturbing when I hear cases from Mr. D'Amours and Mr. Lessard in relation to the portion of the population that is unemployed.

I don't understand. When I can't find employees for my own businesses, and nobody in northern Alberta can find employees, so we go across to China, South America, and the United Kingdom and fly these people in by the thousands, which is intended to happen by 2015 or 2020.... Fifty per cent of our workforce there is going to be retired by 2017, and we have people in the rest of Canada who are unemployed.

What are we doing to send them, either temporarily or permanently, across the country instead of around the world, to get them into northern Alberta to keep the economy going and to send money back to the places that need it the most? And I'm not talking about unemployment insurance; I'm talking about good wages, \$80,000 or \$120,000 a year.

Mr. Andrew Treusch: Thank you for the question.

I think that is a very timely reminder of the balances that we need to see in our labour market. That's what I was trying to allude to, sir, in my opening remarks, in fact, we have a labour market now that is creating hundreds of thousands of jobs. We have employers who are really looking for skilled workers, and the labour market adjusts. It means that they will provide the financial incentives and pay and other things to make employment worthwhile.

So it's quite important, first, that we have very good labour market information available to individuals so that they're aware of these opportunities. It's very important that my department, Human Resources, work very closely with employers so that we have the best understanding of their needs and requirements, that we can use that. We have a whole workplace strategy that's predicated on this department getting close to employers. We have sector councils so that we can make those partnerships. One of the most dynamic ones that we're most focused on is the energy sector and their requirements. I know my deputy minister will be flying out there in a month or so to meet on the ground with some of the people involved in that agency.

We have to balance. We see this labour market as an opportunity to provide gainful employment for all those disadvantaged groups in Canada that have been left behind in the past. This is a real opportunity for us. Insofar as we cannot meet demand with domestic employment, then of course the immigration system is also part of it, and we are working with the Province of Alberta and the energy sector as well on entry there—in particular, the temporary foreign worker program.

• (0945)

Mr. Brian Jean: Division 8 is an issue, and it's an issue for most of the unions in my area, as well as all of the employees. We're bringing in thousands of people from outside of the country to take these \$100,000-a-year jobs. And they're taking the money back. They're not spending it here. They're not providing any benefit. I am quite disturbed by it. I don't know how you're communicating these opportunities to other areas of Canada that have high unemployment, but I've looked at the unemployment rates and I find it discouraging, because I don't see how you're communicating it, first of all.

Second, is there any type of strategy for temporary or permanent employees to be sent over? We have many seasonal workers. Mr. D'Amours in fact alluded to that. In northern Alberta you get \$20 to \$25 an hour to wrap subs in a sub shop. I can't keep employees in any of my businesses. Three or four years ago I had 70 or 80 employees for the businesses; today I have 20 or 25. And I'm shut down most days because I don't have people working.

We have people all over Canada—in Quebec and eastern Canada—who want jobs. They want to come out to western Canada to work, but they have no way to get there and there's no communication strategy that I can see to do that. It's obviously an issue.

Mr. Andrew Treusch: Yes.

Mr. Chair, I do first want to assure the member with respect to the temporary foreign workers program that the first requirement of our department, in processing that, is to assure ourselves that the employer has made every effort to offer the job to a Canadian. They have to advertise it; they have to look at the local market first. That is a requirement. It's not just an open door. There is a labour market test.

Secondly, I also want to assure you as well that the market is adjusting. I'm looking here at Statistics Canada data. As of January 1 of this year, Alberta has gained a population of 25,100. This is a record high for the fourth quarter. Of that 25,000 gain, 17,000 was from net interprovincial migration, also an in-time high.

So the labour market is working. I know last time there was quite a bit of discussion in the committee about mobility and the phenomenon of mobility in the Canadian labour market. It's a big country. There are long distances. People have ties—family ties, ties to their community. There are language barriers. So it's a big decision for people to make.

Mr. Brian Jean: I understand, and I'm sorry to cut you off. I've one more comment.

No disrespect, sir, but it's not working. We don't need 25,000 people, we 250,000 people. And I want them from the rest of Canada. I don't want them from around the world unless they're going to be here permanently. That's what I want. I've only been there 40 years. I've seen the town grow from 1,800 to 75,000 people in the last 40 years, pretty much, and quite frankly, we need to make some changes. I think some sort of transportation strategy available to the people who are unemployed in the rest of Canada should be looked at. I think that would be a very encouraged comment from here.

• (0950)

The Chair: You have thirty seconds left.

Mr. Brian Jean: Did I take all seven minutes, Mr. Chair?

The Chair: You did.

We'll get you next time, Mr. Storseth.

We'll move on to the second round of five minutes each. Starting that off for us will be Mr. D'Amours.

[*Translation*]

Mr. Jean-Claude D'Amours: Thank you, Mr. Chairman.

First, let me tell you that it is probably not due to a lack of respect that my colleague opposite said what he did, but he needs to come to our regions in order to understand our needs. It's certainly not by uprooting people from one region and placing them in another that we're going to help Canada as a whole. Canada is a vast country. It's unbelievable, I am really taken aback by such comments as have been made this morning. Just thinking that way is a problem in itself.

The problem in Atlantic Canada and in my riding is not an unemployment problem, but an employment problem. If we got a bit of help, we would be able people create jobs. Uprooting somebody, and telling him to leave his family and go to another region, is not a solution. People want to live with their families. That's more or less like the Acadian deportation. I just can't get over the fact that you think like that!

[*English*]

Mrs. Lynne Yelich: On a point of order. It wasn't quite meant like that.

[Translation]

Mr. Jean-Claude D'Amours: It's unbelievable that someone would think that way. I said my piece. I hope the Conservatives no longer think along those lines.

Mr. Atherton, I'd like to come back to a point you raised a little earlier. It was in reference to the Toronto region. You talked about the medical side of things and eliminating the two-week waiting period for people working in the tourism and hotel industries in the Toronto region. Was there really a medical issue or were there simply temporary layoffs as a result of a drop in clientele, just like in my region? Because the fact is, there are temporary layoffs in our regions because of seasonal fluctuations. If the two-week waiting period was scrapped because of temporary layoffs for these people, then logic would dictate the same should be done for us.

[English]

Mr. John Atherton: I'm not an expert in EI part 1, but I am familiar with the reasons why the Government of Canada decided to waive the two-week waiting period. I do believe it to be associated with the risk to health for people staying in the workplace when it would be better for them to stay home. In that particular instance, I believe that was the case. But we will confirm, and we can probably send you the press release so that it's quite clear why the government announced that.

[Translation]

Mr. Jean-Claude D'Amours: That would be greatly appreciated.

I said a little earlier that I tabled a private member's bill. That's something, but have the various Human Resources and Social Development officers in the regions made comments to the effect that the two-week waiting period—and we know that it's not really two weeks, but up to eight weeks—is an irritant, because it puts people who need employment insurance in financial straits?

Is it true that you've heard comments, either from regional offices or provincial offices—and I'm referring to Human Resources and Social Development—that eliminating the two-week waiting period might be considered in the near future?

[English]

Mr. Andrew Treusch: It's a very daunting question.

We have 320 regional offices, and we have 22,000 regional employees. We process millions of dollars in benefit payments. In doing so, we certainly hear a great many comments, some positive and some negative, and many suggestions for changes to EI.

I'm sure the answer to the member's question is yes, but I'm not able to speak more authoritatively than that.

Mr. Jean-Claude D'Amours: Okay. That's it.

The Chair: We're going to move on to our next questioner, Madam Bonsant.

• (0955)

[Translation]

Ms. France Bonsant (Compton—Stanstead, BQ): Good morning. My question is directed to Mr. Atherton.

Mr. D'Amours spoke of the two-week waiting period he has asked to have abolished. You are aware that in Toronto, because of SARS,

this two-week period was waived. In Quebec, the two-week waiting period was also waived following the ice storm.

What's the difference between that sort of situation and a company which has burnt down?

There's a company in my riding which went up in flames and the people involved had to wait two weeks. What's the difference, in your opinion, between a natural disaster like an ice storm and a fire?

[English]

Mr. John Atherton: I want to respectfully say that we came here to talk about the employability of older workers and seasonal workers. I'm a director general of active employment measures. I'm not an expert on EI part I or the particular program rules and the specificity in individual situations of comparison.

I believe there have been opportunities for the committee to pursue questions on EI. I know the two-week waiting period and questions around it are a subject of some interest in the report that has been retabled. I'm not an expert in the area. Should you want to pursue the line of questioning, it's probably best to do so with experts on the insurance side.

[Translation]

Ms. France Bonsant: I'll ask the minister that question.

Let's talk about the literacy initiative. You indicated you have an annual budget of \$6 million. However, you've forgotten about the National Literacy Secretariat. Does it still exist? What funding does it get? What agreement exists between the Government of Canada and Quebec?

[English]

Mr. Andrew Treusch: I'll say a couple of general words, and then I'll turn it over to Ms. Kirby.

Yes. On the deck, because we were asked by the committee to address workplace literacy, the material that you have focuses on workplace literacy. We are very proud of the National Literacy Secretariat, which is not described in the deck. It does have a budget and has seen a recent budget increase.

Ms. Kirby can speak of this more authoritatively.

Ms. Donna Kirby (Acting Director General, Canada National Literacy Programs, Department of Human Resources and Social Development): We have a budget for adult learning and literacy for this year that is in the order of \$38.8 million.

In the spring of this year, the adult learning and literacy initiatives at HRSDC were integrated in order to provide increased horizontality, coherence, and a better strategic orientation. The National Literacy Secretariat has continued to play a key role in adult literacy in the country, and it will continue to do so.

In regard to Quebec, a five-year *protocole d'entente* is in place right now with Quebec. Within that five-year protocol, there is an agreement signed every year. There is one in place right now, and there will be efforts towards negotiating the final agreement within the five-year protocol very soon.

[Translation]

Ms. France Bonsant: Are you saying that you can't recall what amount of money was transferred to Quebec? Or don't you know yet? That means it still hasn't been signed.

[English]

Ms. Donna Kirby: The agreement for this year—and I will have to confirm this—is in the order of \$3 million.

The Chair: Ms. Bonsant, you have one minute left.

[Translation]

Ms. France Bonsant: Okay.

Mr. Yves Lessard: I can ask the next question, if you want.

I'd like to continue the discussion on employability. I'd like to pick up on my colleague's question. Mr. Atherton said that it wasn't so much an issue of employability. But I think there is a direct relationship with employability, especially when employment insurance benefits are received immediately and when employment insurance conditions enable people to remain in their regions. When you lose your job, whether it be for the mid- or long-term, you look for employment outside the region.

In closing, I think that regional employability can have ramifications. Do you agree?

• (1000)

[English]

Mr. John Atherton: I do think so. All I meant was that if you wanted to get into the particularities—it's a very complex system on the employment or income benefit side, as you know—then you would need an expert in part 1 of the EI Act if you want to be properly advised. There'll be no disagreement here; it helps people look for jobs and takes care of them when they don't have a job.

The Chair: Thank you.

That ends the time for the questioner.

We're going to move to the NDP now, and Madame Savoie, for five minutes.

[Translation]

Ms. Denise Savoie: Thank you very much.

I'd like to revisit the underemployment issue. Mr. Treusch said a little earlier that there were many reasons for this phenomenon. Among other things, I'd like to hear your comments on the relationship between low literacy levels and underemployment.

[English]

Mr. Andrew Treusch: This term “underemployment” can have many meanings, and in answering your question I may not have addressed it in the way you chose.

Certainly, one of the things that are most evident and least controversial is the strong relationship between levels of educational attainment and labour market performance. This is well documented, so your likelihood of gaining employment, your likelihood of gaining secure employment, your likelihood of having good earnings, and even of good social outcomes and good health outcomes, and things like these, are all strongly correlated with your level of educational attainment.

We know there is also a strong correlation with literacy, as shown by a study out within the last very few days, for example. For sure, this ought to be a real concern of Canada. There is no question that individuals who have low levels of literacy and numeracy are very disadvantaged in the Canadian labour market; they will be least likely to find employment, they will be most likely to face unemployment, and their employment prospects will be limited—increasingly so—by their levels of literacy.

This actually has sparked an unfavourable observation about Canada by the OECD, that in terms of adult education, we really don't perform as well as we should for a country that actually has a very strong education system overall.

Ms. Denise Savoie: Thank you.

I raised the question because of one member's comments about moving people around from one part of Canada to another. I guess I'm concerned that we haven't paid enough attention to the soft skills that really relate directly to the capacity to hold a job.

If I may, I also had a question about the National Literacy Secretariat. I believe Ms. Kirby mentioned that the \$38 million or so in funds had been integrated to offer more horizontality, but that the secretariat would continue to play a role. Can you tell me how these funds are going to play out, or how provinces or groups will be able to access these funds? I know there were concerns about funding of CAP sites and how various groups were able to access literacy funds in local communities.

Ms. Donna Kirby: At present, the adult learning and literacy programs at HRSDC work very closely with each of the provincial and territorial governments, with business associations, with union associations, with the voluntary sector. We support activities that they put in place.

In the very near future—this is expected to have a national dimension as well as a local-regional dimension—there will be a public call for proposals on adult learning and literacy from across the country. There will be selections made by expert panels, and we hope that new agreements will be put in place in the near future.

• (1005)

Ms. Denise Savoie: Will these proposals be open to non-profit, to business, etc.?

Ms. Donna Kirby: There are specific eligibility criteria, but in general they're quite open. There are possibilities for contribution agreements or for grants. Grants are available to voluntary sector organizations.

Ms. Denise Savoie: Are these public at the moment? Have they been...?

Ms. Donna Kirby: We're expecting that the call will be released in the very near future.

The Chair: Thank you.

That's all the time we have for that round. We're going to move to the last questioners for the second round. I believe Ms. Yelich will start off, then Mr. Storseth.

You have five minutes.

Mrs. Lynne Yelich: Yes, I want to speak to Mr. D'Amours' point about regional employment patterns, specifically the labour mobility program that assisted individuals moving from one region to another. Past experience has shown that to be ineffective, I believe, such as the phase-out of a similar program in 1996. That phase-out was done.

Do these programs work? Would you like to comment on labour mobility programs, such as that one? Do they work? Would you care to comment on that, to give more—

Mr. Andrew Treusch: Thank you for raising that.

I did try to acquaint myself a little more with the mobility issue, given the previous deliberations of your committee and the interest in it.

As I alluded, there are a number of factors that enter into an individual's decision to relocate. It's not at all obvious that employment insurance is a major factor one way or the other. Clearly, Canadians are making decisions based on their perceptions of economic opportunities, the distance, the costs involved, and their age is clearly a major factor. If you're younger and if you're better educated, you're more likely to move than if you're older and if you are less well educated. Language is a barrier as well.

I have three studies. I will not take your time with them now, but we will make summaries thereof available to the committee. They all suggest that while EI is likely a factor in mobility, it is far from a determining factor.

With respect to a mobility feature, the department has in the past made available a modest mobility incentive among the toolkit of employment assistance programs that we offered. It is now over. We do have an evaluation, and the evaluation does not suggest it was a very effective incentive. First, the take-up was not that great, as I recall, and some of those who took advantage of it would have moved anyway and this was a fairly modest thing at the margin.

One should recall, of course, that the income tax system itself provides support against moving costs for relocation for employment purposes.

Mrs. Lynne Yelich: Thank you.

I do want to know if you've done any work on eliminating the two-week waiting period. Has there been any study or work, or is there any in-depth reason why we do keep the two-week waiting period? If you could comment quickly, I'll pass it on to Brian.

Mr. Andrew Treusch: As my colleague Mr. Atherton mentioned, I too am not an expert on EI program features, but this is a program under constant scrutiny by us in all of its aspects. These issues are raised often. This is not a new issue for us.

I'd generally say that for an insurance program, you build in features like this. It's not surprising in programs like that. You don't have a first-day application to it; you normally put a reasonable

waiting period like two weeks. But I appreciate and I respect that people can argue this in public policy terms, and it's quite legitimate.

Mrs. Lynne Yelich: Thank you.

The Chair: Mr. Storseth.

Mr. Brian Storseth: Thank you, Mr. Chair.

I think it's important that we have a little clarification here, Mr. Chair.

My colleague and I are definitely sure that we're not talking about a nanny state where we tell people where they have to live and how much they have to make. We're talking about choice; we're talking about allowing people the choice to make \$120,000 to \$180,000 a year.

I was very disappointed to see, as Ms. Yelich was talking about, the recommendations on the labour market mobility incentives not going forward in the latest program. Is there nothing we can do within the EI incentives to increase either the mobility aspect of it or the educational aspect of it?

• (1010)

Mr. Andrew Treusch: I certainly don't want to suggest there's nothing that we can and should do to promote choice—both access to employees by employers or choice by individuals.

I would suggest, sir, that it starts with labour market information. Canadians have a choice, and Canadians should be well informed about the labour market that we see, when making career decisions in educational pursuits and when making decisions about the kinds of occupations or sectors they would prefer.

Secondly, I want to underscore this, although it may not sound very dramatic. Through our work with other countries, I think we are very conscious of the importance of maintaining a flexible and open labour market. One of those things that are almost unnoticeable is the extent to which the labour market is unfettered and open and the entry and exit are free. This is a very important thing to preserve.

As the statistics illustrate, I would like to assert that the Canadian labour market will respond to good gainful employment and good wages. Canadians will choose jobs. Labour markets always respond to employment. It's the natural market itself.

Our immigration system can play a supportive role, as can our temporary foreign workers. I want to assure you that we are working very closely with the energy sector to help them meet the demand for employment through immigration and temporary foreign workers and here at home on the domestic side. This is a very high priority for us.

The Chair: Thank you.

That's all the time we have right now. We're going into our third round, still at five minutes.

We're back to Mr. D'Amours.

[Translation]

Mr. Jean-Claude D'Amours: Thank you, Mr. Chairman.

First, I would like to make the following statement. There is a reality that some people do not understand, which is that companies in rural regions, whether they be in the Atlantic region, in Quebec or in Northern Ontario, also need employees.

The reality for us in Atlantic Canada is that people come in from other countries to fill the gaps. Now there is no way we can solve this problem as a whole by transferring employees from region to region.

Now I would like to raise the issue of literacy. I am sure that you are aware of the situation. In New Brunswick, the illiteracy rate has reached 67%. This does not mean that these people cannot read or write at all. Basically, this refers to how well they function at work. I know that this matter has been discussed before.

Given this situation, with such a high percentage, we wonder whether different measures should be taken from those that currently exist within the regular programs. And I mean dynamic programs aimed at lowering that percentage, as it is really very high. This is not just 5, 7 or 8%. The situation is very different. We have already had problems with education in the past. Therefore, in the future, we may also see a decrease in illiteracy. However, in order to bring this about, people should be given the equipment they need in order to function well at work.

No doubt, you will say that this is a political issue, and I understand, but I would like to know whether you think that it would be important to have a dynamic, precisely targeted program that would do whatever is possible to bring that percentage down.

• (1015)

[English]

Mr. Andrew Treusch: It's hard to want to take issue with many of these things. Certainly, the issue of low literacy in Canada has a surprisingly large incidence. I think the numbers are quite high in Atlantic Canada, and in New Brunswick as well. I believe that is why it's a preoccupation not only of ourselves, but also of the provincial Government of New Brunswick. I think a part of this relates to the incidence of employment in the province—from the deck itself—and less to the preponderance of an aboriginal population, which is a correlate, or a large immigrant population. So I think it does raise the policy question of whether or not federal and provincial governments have appropriate public policy and programs aimed at addressing this problem.

I would simply add that what gives us some satisfaction is that, by and large, Canada's school system performs very well, although, surprisingly, you can find people who can graduate from university and college and actually perform poorly on literacy, which is really not what one would have assumed to be the case.

But generally speaking, by our PISA scores, in Atlantic Canada as well as elsewhere our school system is performing pretty well. I think the work that we put here suggests that where we really need to focus our attention is on adult re-skilling, adult education.

[Translation]

Mr. Jean-Claude D'Amours: Thank you, Mr. Chairman.

Age certainly has a role to play. You said that the education system is functioning quite well, and I agree with you. We also know

that at a certain age, people become reluctant to admit that they cannot read or write adequately. This is a very sensitive issue, especially with regard to personal values.

Is there some way to help these people to come forward and state their needs so that they can be helped?

[English]

The Chair: Ms. Kirby.

Ms. Donna Kirby: In our view, it's important that all of the learning settings be used to acquire basic literacy skills. That includes making sure that not only the classroom is involved, but also the workplace, the community, and the family. We have to be looking at all of the learning settings.

At present we are supporting many community-based organizations to assist them in providing literacy to people who are in need, and we are also supporting the workplace. Some examples here include provision of awards to encourage employers to become more involved in workplace literacy, supporting consortia across Canada in different regions to draw the partners together to consider how to promote workplace literacy, and supporting assessment methodologies so that employees in the workplace will have the opportunity to better understand their literacy levels.

The Chair: Thank you.

Just before we go back to Mr. Storseth, I have a question for the panel.

In my talks with people who have been to my office representing trades, one of the things they've indicated to me in terms of mobility is the fact that if they have a residence somewhere in the country and they're required to go somewhere else in the country, they don't want to give up their main residence. Is that a policy issue? Obviously it's a tax issue in terms of maintaining two residences and what they look at.

Have there been any studies done or any indications from the work you've seen on providing a financial incentive for those tradespeople who clearly don't want to leave the region they're from, but who would be happy to go on a temporary basis and not move their whole family, not move everything, so they can return after the work is done or the season is over?

Do you have any comments on that thought process, or has any work been done previously?

•(1020)

Mr. Andrew Treusch: We're very involved, very engaged, and very concerned about the issue, and—I neglected to mention in answering questions about mobility—very concerned about not only the apprenticeship system in Canada but barriers to their mobility both across Canada and into Canada from abroad because of issues of credential recognition. So that's a serious problem for this country.

With respect to the residence issue and maintaining a primary residence, I'm not aware of anything beyond what's available in the tax system.

The Chair: I'm not asking you guys to come up with a policy decision, but do you think one of the barriers to mobility, then, relates to the fact that tradespeople do not want to leave where they're from; and if there's an opportunity where they have to maintain two residences, is there a possibility that if something were changed, we could free up some skills? Is that a possibility?

Mrs. Barbara Glover (Acting Director General, Labour Market Policy, Department of Human Resources and Social Development): One point we talked about last time was the tax system. The tax system provides support if people move, but I don't think it will work in the case you're describing. You won't benefit if you're not changing your primary residence. So there is probably a set of questions you may want to ask about that tax measure and what would happen if things were changed.

The answer to your question is yes, moving costs are an important factor.

I believe there was a question last time: if people are going to move temporarily and if they cannot benefit from this tax measure, will that inhibit mobility? I believe the answer is yes, and I do think we had a conversation last time about that as well.

The Chair: Great, because I understood that from a tax point of view they would cover the move, but not two separate residences or even an additional one. So it appears that it may inhibit the ability of people to move around as a possibility.

Mrs. Barbara Glover: Yes, and I think the study that Andrew referred to, the three studies that we'll table a summary of, will underline that moving cost is a big factor, so of course it's going to be an even bigger factor if you're only talking about a short period of time. Wages will not cover that.

If your wages are for two to three years, that will cover the price of the move, but if you're only moving for three months, then the calculation will be different.

So yes, I'm agreeing.

The Chair: Good. Thank you very much.

Mr. Storseth, we'll move over to you for five minutes.

Mr. Brian Storseth: Thank you, Mr. Chair.

I just want to pick up on the chair's point for a moment. I think interprovincial accreditation is a big issue and it's a big inhibitor of mobility. We all come from different parts of the country—very diverse, very different economic regions. I believe we all get different connotations when it comes to the definition of seasonal worker.

Could you give me the department's definition?

Mr. Andrew Treusch: Yes, I did. I'm scrambling for the deck. I think you'll find in the deck entitled "Seasonal Workers", in its opening statement, our definition: "A seasonal worker being a paid employee, working in a non-permanent job that will end at a specific time or in the near future after a seasonal peak has passed."

Mr. Brian Storseth: So then, by definition, these people will be looking to EI at one point in the year, for sure.

Mr. Andrew Treusch: Correct. Typically—and you'll find this in the deck as well—this is a reference to higher employment in our peak summer months, in our short summer period here, the June to August period, compared to the winter months of January to March.

Mr. Brian Storseth: In our unemployment rates, then, how much of that 6.4% unemployment rate would be accounted for by our seasonal workers?

Mr. Andrew Treusch: In terms of our employment—which as I appreciate isn't what you asked—there is the number here. As a proportion of our employment base, it's 3% or 3.1%. In terms of unemployment, that's what we mean by seasonally adjusted unemployment, so that you don't see that when you're looking at it. So those data obviously exist, and certainly as well, we've brought to this committee many times the statistics on seasonal workers as a proportion of employment insurance recipients and the like. So those data certainly exist.

•(1025)

Mr. Brian Storseth: Switching gears here, one of the big challenges we have in rural Alberta is not just the skilled... And I don't really like those terms, "skilled" and "non-skilled" workers, because when you're talking about farm labourers there is quite a training time and most of these guys take four, five, or six months to actually train. In our temporary foreign workers program, you can only actually be here for a year. One of the big problems we have with this program is the inability, once you get these people trained, to keep them on for one or two years. I realize this may be an immigration issue, but I'd like you to speak to that a little and whether there's something we can do in that regard.

Mr. Andrew Treusch: You're asking about the temporary foreign workers program and some of its conditions. I wonder if I can ask my colleague Mr. Larose.

Mr. Peter Larose (Director General, Workplace Partnerships Directorate, Department of Human Resources and Social Development): I'm not an expert, but I do know a little about this.

You're absolutely right. First of all, in regard to your point about high skills versus low skills, we actually have a national occupational system that puts the skills in four categories: A, B, C, D. You're absolutely right, A can be very high skilled, but D still has some level of skill, and you go down. And you're right, in the temporary foreign worker program for C and D you can only stay a maximum of 12 months.

We've done some pilot studies, particularly on truckers, about this, and we're trying to figure out whether it's right. I'm not saying everything at C is lower than everything at B. It's not a perfect system, and the skill requirements of jobs are constantly changing so we're constantly revisiting the classification to make sure it is right.

But I think the basic thrust would be, again, as Andrew was alluding to earlier, before we bring in a temporary foreign worker we ask ourselves if the employer advertised for the job. Clearly, the higher up you go, the harder it is going to be to find somebody who can do a job.

At the lower levels what we're doing is protecting the system a little bit, particularly if the economy changes. So we bring in Andrew from overseas, we give him some training, but in the meantime the economy may have changed and there may be people who can do that work. Part of what we're doing is saying, after 12 months, Andrew, you have to go back and the employer has to relook and see whether other people can do the job. We find that at the lower levels that's often the case, and there are people who can do the job.

Is the system perfect? Absolutely not, and particularly in Alberta right now with the unemployment rate so low, it makes it difficult. But again, it's something the system is trying to adapt to in terms of how fast the labour market is changing.

The Chair: You have 20 seconds left, Ms. Yelich. Did you have a quick question?

Mrs. Lynne Yelich: A very quick question.

When other people are on unemployment you are always making sure they're out there looking for employment during their time out of the workforce. Do you do that with the seasonal workers, keeping in line with your insurance principles? Do you—I'm going to use the word "harass"—harass them? That's what I get told. People say, we get harassed by the unemployment department and they're insisting we're not out there looking for jobs during this time. But do you do that with the seasonal workers?

Yes or no is good enough.

Mr. Brian Storseth: Yes.

The Chair: Where we're at right now we normally go into motions. It is 10:30. But it is the will of the committee if there are more questions we want to ask. If we feel we can do that, the Bloc is the next up. In terms of the committee, as we have these experts here to talk about some labour issues, do we want to continue on with a couple more questions? It's the will of the committee.

The answer is yes.

Ms. France Bonsant: I've just got a short question.

The Chair: Okay.

[*Translation*]

Ms. France Bonsant: Earlier, you mentioned adult learning. Personally, I am a visual type. You said that \$38 million were available and that a \$3 million agreement had been reached with Quebec. I would like to know where the \$3 million came from.

You also mentioned the National Literacy Secretariat, but you did not say how much money had been allotted to it. Who negotiated the \$3 million agreement with Quebec? This means about 50¢ for each citizen. This kind of money will not even buy you a cup of coffee.

I want to get answers to these questions.

• (1030)

[*English*]

Ms. Donna Kirby: Historically there has been a provincial-territorial envelope established within the national literacy program. That envelope, every year, is valued at approximately \$13.7 million. Those funds are used to support literacy initiatives in every province and territory. As I mentioned, I believe the Quebec agreement this year is worth about \$3 million. I will have to verify that to give you the exact number. This is the envelope that is used to support, in cooperation with every provincial and territorial government, literacy activities in their jurisdiction.

In addition to that, there is a national envelope that we have brought together in companionship with the national literacy program, the Office of Learning Technologies, and also the learning initiatives program. These are two adult learning programs in HRSDC. This allows us to combine literacy activities with prior learning assessment and also with learning technologies to provide more effective and stronger results.

[*Translation*]

Ms. France Bonsant: This basically means that the National Literacy Secretariat only exists on paper. It has no funds.

[*English*]

Ms. Donna Kirby: The allocation is to the program itself. The secretariat is the organization that administers the program.

Ms. France Bonsant: *Merci.*

The Chair: I do want to thank our witnesses for coming in today.

Mr. Treusch, I think you guys have done a great job with the decks. I know that some of these things are fairly complicated and very intertwined. There isn't necessarily any black and white. They are complicated issues, and I think you've done a great job in your department outlining these decks for us today to give us an overview of what's going on with literacy and with some of these other issues such as older workers and seasonal workers.

Thank you and all your colleagues very much for coming in and enlightening us today. We appreciate the time you've spent. I know that we've got a bit better understanding to move forward with on this study over the next few weeks and months. So thanks once again for taking the time to join us this morning.

Mr. Andrew Treusch: Thank you very much, Mr. Chairman. We have made certain commitments today to provide additional information, and we will do so forthwith, through the chair, for all members.

The Chair: Perfect. Thank you.

Mrs. Lynne Yelich: If they have any ideas to move forward on what we might be learning, or on what we should learn about employability in our travels this year, I would appreciate hearing them. If they have any suggestions regarding the questions that were asked, perhaps they can forward some suggestions to us.

Also, do you have a breakdown of what the literacy rates are for each province?

Ms. Donna Kirby: Yes, we have literacy rates for each province. They were released last year with the release of the International Adult Literacy Survey.

Mrs. Lynne Yelich: Okay, because in response to Mr. D'Amour's comment, if people can't read or write, then I think we have to be looking at the early education as well, probably.

Ms. Donna Kirby: Can I make a comment on that?

Our information shows where people are placed on the continuum of literacy, not whether people are literate or illiterate. We're not looking at a situation where they can't or they can read. Individuals and populations are placed on the international literacy scale that has been agreed to with all of the OECD countries. So it allows populations and individuals to see themselves on the continuum.

Mrs. Lynne Yelich: Okay. That clears it up a little more. Thank you.

The Chair: Thank you very much.

We need to talk about motions now. If you look at your package, after the orders of the day, you have before you a scheduled timeline of what we are going to do over the next few meetings. Then after that we have a proposed motion on day care. I know there were three different motions that came before us. This is a proposal that was put together by the clerk to encompass all three of those motions.

What I need in order to move forward is unanimous consent on this motion so that we can discuss this motion before us, if that's something we want to do. Then if we want to make amendments to this, that's what I would ask of this committee right now.

So do we have unanimous consent to move forward with this motion the way the clerk has taken all three motions together to discuss it? Okay, we have unanimous consent.

So then we can move forward, and we'll talk about this motion the way it stands and whether it needs to be amended or looked at. But now we're going to be working on the motion that the clerk has provided for us.

The proposal of the motion of day care was to integrate all three motions. So we just agreed:

That the Committee studies the impact of the repeal, in each province, of the agreements concerning the National Childcare Program,

That the Committee examines the principles behind the models of childcare adopted in Quebec, Manitoba, Ontario and in the other provinces and territories,

That the Committee studies the April 2006 Statistics Canada report entitled "*Child Care in Canada*".

And that the committee report on the matter of childcare in Canada to the House.

Are we okay with the way that motion stands? Do we want to have some discussion?

Yes, Mr. Martin.

• (1035)

Mr. Tony Martin (Sault Ste. Marie, NDP): Yes. There are a couple of things we have some concerns with, although we want to work to find some compromise.

We want it to be a bit more focused, and if it's possible, we want to have a friendly amendment that would suggest that the committee examine the models of child care adopted in Quebec, Manitoba, Ontario, and other provinces and territories, because we want the models, not just the principles, to be examined.

For example, there's a really wonderful trial on a new approach to child care that has come out of Toronto, called Toronto First Duty, that we'd like to look at so that everybody here can share what we find in our examination with the rest of the country, and other people would know what's going on there.

That is one recommendation I would make. I would also suggest that we might want to look at setting a date of November of this year to report back to Parliament.

Also, part two of our original motion is missing, so let me just read it again:

There has been much talk of the principles embedded in successful models. These principles, such as respecting community needs, the integration of services (such as the First Duty model in Toronto), affordability, parental involvement, licensing, and a measurement to determine quality, should be examined as well, as far as we're concerned.

The Chair: Mr. Martin, I'm just talking to the clerk. Let's look at one thing at a time here.

I want to know if there is agreement. You've suggested that the second line read, "that the Committee examines the models...". Okay. I have "behind the models".

So could you just clarify what the original proposal was? Was it then, "that the Committee examines the principles and models"?

Mr. Tony Martin: That would be fine.

The Chair: It is "behind the models".

Mr. Tony Martin: No, it is, "and the models".

The Chair: Okay. So it's, "that the Committee examines the principles and models of childcare adopted in Quebec..." .

Mr. Tony Martin: Yes.

The Chair: So that is the first amendment. Is there any more discussion on that? Is there any concern with that?

Mrs. Lynne Yelich: My concern is whether we want to study the nation, not just the three provinces. This is just a study of three provinces. What about the other provinces and territories?

Mr. Tony Martin: It says, "and other provinces".

Mrs. Lynne Yelich: We have a national program, so I think we should—

•(1040)

The Chair: Ms. Yelich, in the last part it says, “and in the other provinces and territories”, so we have highlighted a few there, but it does cover off all the provinces.

Mrs. Lynne Yelich: I think that's a bit redundant, then. I think maybe it should just say that we are studying the principles and models, perhaps. I don't think we need, “Quebec, Manitoba, and Ontario”, that it be specific to them. If we're going to be studying them all, I'm not sure they have to be particularly cited, but I don't really see a problem with that.

The Chair: Is there any other discussion?

Mr. Lessard.

[Translation]

Mr. Yves Lessard: Mr. Chairman, are we going to debate the merits? We would like to tell you what we think about this matter.

[English]

The Chair: Right now we're on the amendment that Mr. Martin has proposed in terms of the wording of the second line, which would be:

That the Committee examines the principles and models of childcare adopted in Quebec, Manitoba and Ontario and in the other provinces and territories.

So that is the only thing we are debating, and I'm going to call the vote in a second.

Is everyone in favour, then, of that original motion?

Mr. Lessard.

[Translation]

Mr. Yves Lessard: Let me speak about this issue, Mr. Chairman.

[English]

The Chair: Okay. Go ahead.

[Translation]

Mr. Yves Lessard: Mr. Chairman, we will vote against the amendment for the following reason. I will speak about the first part, but also about the amendment, which is included in the main motion.

With regard to the first part, we know that it amounts to \$807 million for Quebec. This is straightforward. Then, regarding principles and models, let me say that in Quebec, we already have a sizeable program. I think that the other provinces would not be welcome if they tried to tell us how to manage and implement the program. Likewise, they can reasonably expect that we will not come and lecture them and tell them how to implement and manage their program.

Mr. Chairman, despite all the respect we have for the other provinces, our conclusion is that this is a provincial responsibility. This is why we will vote against the amendment.

[English]

The Chair: Mr. Lessard, I know that Mr. Martin wanted to mention something.

My thought on this would be that Mr. Martin is asking us to look at what has been happening to the provinces, as a frame of reference, but not to tell them in any way, shape, or form how they should be

managing their child care programs—instead, using them as an example as to whether there's some best practices that maybe the rest of the country would benefit from.

Mr. Martin, is that pretty much what you're looking for?

Mr. Tony Martin: Yes.

The Chair: That's the context. I believe it says there that the committee would examine the principles and the models of child care that have already been adopted by these various provinces in the rest of the country. So we would be able to make reference to these or provide other examples of the way it's being done in other provinces.

[Translation]

Mr. Yves Lessard: Thank you, Mr. Chairman.

A committee will almost never look into an issue without expressing its opinion on what the government should do about it. Otherwise, I do not see any point in doing this work. It should be clear that the committee will have an idea of the amount of work to be done. This is why we will vote against the amendment.

[English]

The Chair: Okay. Are there any other comments before I call the vote on this specific amendment?

To be clear, the amendment is that the committee examines the principles and models of child care adopted in Quebec, Manitoba, Ontario, and other provinces and territories.

All in favour?

Mrs. Lynne Yelich: I'm sorry; I want a clarification of what the Bloc.... I'm sorry; it's always a vote for the amendment or the—

The Chair: This is a vote on the amendment to the motion.

(Amendment agreed to [See *Minutes of Proceedings*])

The Chair: Mr. D'Amours.

[Translation]

Mr. Jean-Claude D'Amours: Mr. Chairman, I would like to raise another point in the proposal, which is the third point. This point proposes that the committee should study the report "Child Care in Canada", published by Statistics Canada in April 2006. I do not see the need for studying an issue that has already been studied. This is a report, which means that someone studied the file, and then drew some conclusions.

We can certainly find a fair balance. For example, this document could, in some way or other, be brought to bear on our discussions. Nonetheless, with regard to this subject that has already been studied, I can hardly see how we could get any better results. Basically, we could all read and understand this report. We could refer to it in the course of our debate.

•(1045)

[English]

The Chair: I would ask what your recommendation is in terms of the amendment to that.

I understand what you're saying in terms of studying the study, but do you have a recommendation as far as an amendment to that is concerned?

[*Translation*]

Mr. Jean-Claude D'Amours: We could amalgamate this point with the others, so that we only have two. The report would be included in our debates. I do not know what the other committee members think of this.

[*English*]

The Chair: The clerk has made a suggestion that the committee integrates the April 2006 Statistics Canada report entitled *Child Care in Canada*. How does that work with everybody?

The report would be part of the discussion. Obviously this report has been done, so you're saying we don't need to study this again, but we'd like to make sure it's integrated as part of the study.

That's an amendment.

(Amendment agreed to [See *Minutes of Proceedings*])

[*Translation*]

Mr. Yves Lessard: Mr. Chairman, in the future it might be good for us to proceed by recorded division. Earlier, when we voted, this was not clear.

In these conditions, we cannot tell whether our colleagues opposite are waving at us or raising their hands to vote.

[*English*]

The Chair: I've just been informed by the clerk that it's the responsibility of the members to request a recorded vote, if that's something they'd like. Okay?

We're going to go back to Mr. Martin now. You had some other...

Mr. Tony Martin: Yes, I perhaps would suggest that we add a fourth bullet or a fourth part, since we've agreed on the integration of the third.

The third part would read:

There has been much talk of the principles embedded in successful models. These principles, such as respecting community needs, the integration of services, (such as the First Duty model in Toronto), affordability, parental involvement, licensing, and a measurement to determine quality, should be examined

The Chair: Okay, the proposal that we have is back in the original motion from Mr. Martin. He wants to integrate this back into the motion. It's on page 2 of the motions, at the top right-hand corner, the third paragraph down:

That the principles embedded in the successful models, such as respecting community needs, the integration of services (such as the First Duty model in Toronto), affordability, parental involvement, licensing, and a measurement to determine quality be examined.

This is the proposal. Do I have any more discussion on this proposed amendment?

Then what I will do is call the vote on Mr. Martin's amendment, that we add this text to the existing motion.

There's a request for a recorded vote on this.

The vote is tied. The motion will be left as is, because my vote will be nay.

(Amendment negated: nays 6; yeas 5 [See *Minutes of Proceedings*])

• (1050)

The Chair: Okay, in closing, I want to point out that we do have a lot of motions on the table here in front of the committee. What I want to propose, though, is that given that we talked originally about submitting priorities and the areas we would like to study, I would still encourage people to do that as we move forward, as opposed to trying to deal with everything through motions. I realize it's at the will of the committee, if that's what they would like to do.

We are out of time for today. We have some motions before us that we'll bring forward in the next meeting on Tuesday.

With that, I adjourn the meeting.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

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