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Chair

Mr. Dean Allison

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•(1530)

[*English*]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): Pursuant to Standing Order 81(5), we are studying Supplementary Estimates (A) for the fiscal year ending March 31.

We'll now commence. I'd like to thank everyone for being here.

Minister, everyone is here early today. I don't know, I think they're excited to see you. I think if we could do that every time, we could get our meetings started a little faster, even with all the bad weather to boot.

So Minister, welcome. We thank your individuals from the department for being here as well. You have 10 minutes, sir, then we will start with a round of questioning from the opposition. The first round will be seven minutes and subsequent rounds will be five minutes.

Minister, the floor is yours for 10 minutes.,

[*Translation*]

Hon. Monte Solberg (Minister of Human Resources and Social Development): Mr. Chairman, I am pleased to appear before this committee to talk about the 2007-2008 Supplementary Estimates.

[*English*]

Of course, Mr. Chairman, it's always a pleasure to be amongst friends here at Christmastime, a real pleasure.

Let me briefly outline my department's proposed investments and ask your support in helping Canadians create a productive and prosperous economy.

Human Resources and Social Development Canada touches the lives of all Canadians. Our programs and services directly benefit Canadians through employment insurance, the Canada Pension Plan, old age security, the universal child care benefit, loans disbursed under the Canada Student Financial Assistance Act and other student assistance programs.

We assist Canadians through Service Canada's 597 points of service and by working with our federal, provincial, and voluntary sector partners.

Canada Mortgage and Housing Corporation, CMHC, is helping Canadians access quality and affordable housing by supporting low-income Canadian households, including seniors, persons with

disabilities, aboriginal Canadians and women and children experiencing family violence.

Earlier I mentioned that my portfolio provides services directly to Canadians. I want to take this opportunity to update you on our progress in providing eligible citizens funding under the Indian Residential Schools Settlement Agreement. To date, we have received 79,600 common-experience payment applications and have issued 25,900 payments, totalling \$512.7 million. This is in addition to advance payments of \$82.6 million, which have already been paid to individuals 65 and older, for a total of \$595.3 million.

The funding sought by HRSD in these supplementary estimates is in support of a vision to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve Canadians' quality of life.

I would like to take this opportunity to highlight some of the ways in which these supplementary estimates enable the government to deliver on its budget commitments: making improvements to the temporary foreign worker program, \$15.9 million; expanding the New Horizons for Seniors program, \$8.2 million; improving labour market outcomes of aboriginal people, \$4.9 million; providing domestic in-person service and a dedicated phone line for the foreign credential recognition office, \$4.2 million; creating a new human resource sector council for the forestry industry, \$0.3 million; enabling the transition from the national homelessness initiative to the new homelessness partnering strategy, \$25.1 million; supporting the delivery of the Transport Canada ecoAUTO rebate program, \$6.3 million; delivering renovation program assistance for low-income households over the next two years, \$181.9 million; creating affordable housing under the bilateral affordable housing agreements, \$40.8 million.

Today I would like to focus on what my department is doing to address the changing nature of the labour force and to support Canada's families.

[*Translation*]

Let me start with the labour market.

[*English*]

Canadians can take pride in our performance as a society and an economy. Our unemployment rate, at 5.8%, is the lowest in 33 years. Half a million jobs have been created in the past two years alone, and almost 80% of working-age Canadians are in the labour force today, a record level.

But when we look at the long term, it becomes clear that the demographics are working against us. For the last 50 years, our labour force has been the single greatest factor contributing to economic expansion. Over the past half century, it grew by nearly 200%. But in the next 50 years, that labour force is projected to increase by only 11%, and that includes immigration.

Our challenge is too few skilled workers to meet demand. In the past, we didn't seem to have enough work to go around for the number of workers. Now many jobs are going unfilled. Even in areas of high unemployment, we don't have enough skilled workers to fill job openings.

• (1535)

[*Translation*]

This is a challenge, Mr. Chairman, but it is also a wonderful opportunity.

[*English*]

We can raise our standard of living by ensuring all Canadians can access our labour market. Far too many Canadians are unemployed or underemployed. The best way to help them create opportunities in the emerging economy is by helping them acquire knowledge and skills.

This brings me to Advantage Canada, our long-term economic strategy. It sets an achievable goal:

[*Translation*]

to create the best educated, most skilled and most flexible workforce in the world.

[*English*]

Mr. Chair, our government wants to ensure that students can access post-secondary education. That's why the Government of Canada is investing 40% more per year in our post-secondary education system through the Canada social transfer.

In budget 2007, we also formally launched a review of the Canada student loans program, in consultation with provinces, territories, and stakeholders. In that regard, my officials have worked with national advisory groups representing a wide range of interests, held regular consultations with provinces and territories, and have sought the views of Canadians. We plan to announce the outcomes of this review in budget 2008.

I would now like to say a few words about the Canada summer jobs initiative. I am pleased to report that this initiative created about 42,000 summer jobs and offered funding to over 18,000 applicants. As you all know, I asked the department to accelerate a second round of funding decisions when it became apparent that some organizations delivering vital community services could be denied funding.

When the books are closed, we expect to have spent between \$103 million and \$105 million under this initiative. In the supplementary estimates, we are requesting \$44.3 million for Canada summer jobs.

I am proud of the Government of Canada's role in helping students find career-related work while helping them save for school. I seek the support of the committee in continuing to make that happen. I look forward to announcing the government's new approach to the Canada summer jobs initiative for 2008 in the very near future.

Mr. Chair, through our labour market initiative announced in budget 2007, we will make significant investments through negotiated agreements with provinces and territories to provide training and labour market programming to people not covered by employment insurance. This includes members of underrepresented groups such as persons with disabilities as well as those with low education and literacy levels.

That same philosophy of collaboration also exists under the aboriginal skills and employment partnership program. We have more than doubled the program to provide training and jobs for aboriginal workers in major economic development sectors across Canada, such as forestry, mining, and construction.

I would like to draw committee members' attention to the forestry sector, which has been faced with some serious challenges in recent years.

[*Translation*]

Our government recognizes that many single-industry towns across Canada have been hit by lay-offs.

[*English*]

Our targeted initiative for older workers program means we can give older workers in these communities the training they need so they can find new jobs and support their families and our economic growth.

In September this year we also created a new sector council for the forestry industry. This investment highlights our commitment to work closely with the forestry industry to address skills shortages and to help the industry recruit and retain skilled workers.

[*Translation*]

Mr. Chairman, our government recognizes that not all regions experience the same growth and that individuals employed in seasonal work face special challenges.

[*English*]

To help these seasonal workers, we will continue the extended EI benefits pilot project to June 6, 2009. This demonstrates that our government has taken action to support workers and will continue to do so while traditional and seasonal industries adjust to global conditions. Our priority is to help Canadians participate in the labour market.

I have also announced an extension in the labour market agreement for persons with disabilities, with the provinces and territories, until March 2009. This investment will help Canadians with disabilities develop skills so they can find and keep good, long-term jobs, by breaking down barriers that some persons with disabilities face when trying to get a meaningful job.

Let me now turn to our other priority, providing support to families and their diverse needs. Through our significant investments in benefits for families, particularly those with children and those in low- and middle-income families, we are trying to help Canadians reach their potential. We believe in strong Canadian families that are able to contribute to their well-being, to the labour market, to their communities, and to their country. We are making significant investments in low- and middle-income families through the Canada child tax benefit, and the national child benefit supplement for low-income families. We are also helping families with the costs of raising their children, through the universal child care benefit and the new child tax credit announced in budget 2007. And we are helping Canadians get over the welfare wall through the working income tax benefit, which strengthens incentives for low-income individuals who are either already in the workforce or who want to work.

The Government of Canada recognizes and values the contributions that seniors have made to their communities. With the passage of Bill C-36, there will now be automatic renewals of the guaranteed income supplement for recipients who file tax returns. We've also been conducting an outreach program to ensure that seniors are getting the information they need about their benefits.

Finally, we are expanding the New Horizons for Seniors program. This program helps seniors benefit from and contribute to the quality of life in their communities through active living. One aspect of that program focuses on education about elder abuse.

With these supplementary estimates, HRSDC is requesting Parliament's approval for additional funding totalling \$146.6 million, which is offset by funding available within the department of \$82.6 million. The total net voted requirements for the 2007-08 supplementary estimates is \$64 million.

For CMHC, we are requesting a total of \$222,871,000 to cover planned expenses for the 2007-08 period.

• (1540)

[Translation]

I would be pleased to answer the committee's questions.

[English]

Thank you, Mr. Chairman.

The Chair: Thank you, Minister.

Before we start our first round, the clerk has reminded me that we are on camera today. I don't think I probably need to remind any members of Parliament of that. They always seem able to find the camera, so that's not a problem today.

We'll get started. As I indicated, the first round will be seven minutes, followed by a second round of five minutes.

Mr. Savage, you have seven minutes.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Thank you, Chair.

Minister, it's always a pleasure to see you and your hard-working officials.

I want to talk a little bit about Canada summer jobs, the replacement of the summer career placements program. In the estimates and in your comments, you refer to the additional almost \$45 million. Can you tell me what the final cost was for this year's Canada summer jobs program?

Hon. Monte Solberg: I'd be happy to do that. As I said in my remarks, the final cost will be \$103 million to \$105 million. We're still closing off some accounts.

Mr. Michael Savage: Explain to me the \$45 million. How does that work? Is some of that for this past year and some for next year?

Hon. Monte Solberg: We had originally allocated just about \$55 million for this program. When I came to the committee in the spring, I indicated that we would be coming back for supplementary funding. We announced at that point a budget of \$85.9 million for the program. We're coming back requesting this additional \$44 million that you referred to, and we're also reallocating \$6.3 million from within the youth employment strategy.

Mr. Michael Savage: This is quite a saga, this summer jobs program. You've referred to some of it.

About a year ago, the government announced a cut of \$55 million in the summer jobs. Then without any further announcement, they came back in the spring—you had come in as minister—and indicated, no, it's going to be about \$85 million, \$11 million less than the Liberal program, \$77 million of which would be for the not-for-profit sector. But there had been no announcement up until then that the \$55 million was cut. We asked you that question at this committee in the spring.

So we go from a \$55 million cut. And it wasn't a \$55 million cut; it appeared to be a \$10 million cut. When everything went crazy in the ridings and we started getting calls from organizations, we asked the question, is there more money going in? We were told, no, it's the same amount of money. And when reallocations were made, we were told at this committee that this was the normal process, that there are some people who apply and are turned down, and it would be reallocated to people who had applied.

In essence, what you're saying is that you're spending about \$10 million more than the previous government did, based on a plan to spend \$10 million less.

• (1545)

Hon. Monte Solberg: What I'm saying is that when we came to you in the spring, we did say \$77 million to the not-for-profit sector, and that was in fact the budget. So there was no reduction. Of course, what we've done is we've provided more jobs than the previous government for longer periods of time, so it wouldn't be correct to characterize it the way you put it.

Mr. Michael Savage: With respect, I don't think any of us would say that we shouldn't put more money into Canada's summer jobs, but we all want a government that can plan responsibly, like the Liberal government did with our Canada summer jobs program, so that we know when we have a certain amount of money that it'll be spent.

We all had a sense, and I'm sure other members of the committee felt, that this thing was out of control in the spring and there was scrambling going on. We had requests into this committee to ask what was actually happening and we didn't get any information. Now you're coming back and saying, you're right, we did scramble; instead of \$10 million less, we've put in \$10 million more to fix the holes.

That's what I'm reading from what you're saying. Is that accurate?

Hon. Monte Solberg: Just so we're completely accurate, every year there is a second round of funding, because some groups don't use all the funding that they're given in the first place. So we take that and put it into some of the programming. This is not anything new.

It's correct to say that when we realized there were very worthy groups that weren't getting this funding, we felt the need to go back and secure more funding so that we could make sure we didn't end up with that consequence.

Mr. Michael Savage: And I think that's right. What I and other members were looking for in the spring was a bit of honesty about the program. When you talk about the reallocation, the reallocation in years past was done out of existing budget from those who applied, were given students, and then decided they didn't need them. That would be one or two per riding out of existing funds.

So you've budgeted \$85 million—that would be slippage—but you've spent \$105 million. Nobody says you shouldn't spend \$105 million. I hope, on behalf of lots of not-for-profit organizations across the country and students, that next year's program is announced well in advance of when this one was, because organizations scrambled like mad in March when, without notice, they got the new criteria and were told the criteria had changed. Some of them didn't even apply, and if they didn't apply last year and had got students before, they didn't get caught up in the second tranche of funding.

So there are some organizations in my riding, and I know in Mr. Cuzner's riding and in other members' ridings, that didn't get funding but should have got it. Will they have some reason for hope that this year's funding might be available to them?

Hon. Monte Solberg: Let me just say that I'm sensitive to some of those comments. We've talked extensively to MPs, many people sitting around this table, and of course to stakeholders as well. We are going to make sure we get the criteria out well in advance so people understand exactly what's going on.

I just have to say that we have taken the position that we're going to invest much more heavily in training and support for initiatives like this than governments have in the past. We've done exactly that through the new labour market agreements, through the aboriginal skills employment program. We feel confident it's the right way to go to help people generally.

Mr. Michael Savage: I understand. Minister, I don't question your sincerity; I question the government's execution. It's not that I'm not in favour of the government's execution in general, but I think that the way this plan was executed was poorly done.

You mentioned in the House, on May 9, in a response to a question from me, "In fact, we have changed the program and we have improved it. Under the Liberals, they used the plan to fund companies like Wal-Mart...". Are you aware that there were 20 ridings in Canada that were funded by Wal-Mart and they were all represented by Conservatives?

Hon. Monte Solberg: That's why we changed the programming

Mr. Michael Savage: So you're protecting Conservative members.

Hon. Monte Solberg: There was funding that went to many large companies.

I guess I'm duty-bound to point out that this occurred for many years. And even when there were reductions in funding under your government—for instance, I know in your riding, in 2005, there was a very significant reduction—large companies could still apply in your riding, for instance.

Mr. Michael Savage: But none got it.

Hon. Monte Solberg: We wanted to end that practice because it was at the expense of the not-for-profit sector, and so we remedied that.

Mr. Michael Savage: I appreciate that point of view, I'm just suggesting that when you say you wanted to protect taxpayers from MPs supporting their friends, you were in fact referring to the 20 Conservative ridings, including Medicine Hat, where Wal-Mart received money.

● (1550)

Hon. Monte Solberg: You have to remember that there are two aspects to this. One is that funding went to large companies. The other aspect was that members of Parliament weren't necessarily accountable for the influence they had in guiding that money to a particular place. We were very concerned about that. I'm still concerned about it. I don't think that members of Parliament should expect to have influence and then not be held accountable.

I can tell you that in my case I've never signed off on funding in my riding, because I was always concerned about exactly that. I was also concerned generally about the idea of subsidizing large companies. We've brought an end to that practice, and it won't continue in the future either.

The Chair: Thank you, Mr. Solberg.

Thank you, Mr. Savage.

We're now going to move to the Bloc, who will have seven minutes.

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Thank you, Mr. Chairman.

You did not ensure any follow-up to the Canada Summer Jobs initiative. You didn't give the necessary authorizations, but it might have been preferable for you to do so, since Wal-Mart didn't get any in your riding. In all Quebec ridings where members interfered, no Wal-Mart received any subsidies. I believe that's one of our responsibilities. That was an observation.

Minister, I'm going to try to ask you brief questions in order to obtain as much information as possible, since we don't often have the opportunity to meet with you.

First, with regard to the pilot projects for the regions with high unemployment rates, the economic regions were supposed to be redrawn last year, but that did not occur, Minister.

Is that to be done shortly?

[English]

Hon. Monte Solberg: Mr. Chair, in response to my friend, this is something we have the opportunity to review, but I think the position the government has taken is that we are focusing far more on investing in training than moving these lines around, which in some cases, I think members would agree, results in very arbitrary changes. So while I appreciate the concern, we've had very little feedback from members of Parliament that these lines should be changed to any great extent, and our focus is on investing more heavily in training to make sure that where people are unemployed, they can get the skills they need to participate in such a hot job market.

[Translation]

Mr. Yves Lessard: I understand that it's not underway, whereas you told the regions that you were doing it. Based on your answer, it's not being done right now.

[English]

Hon. Monte Solberg: I can tell the member, Mr. Chairman, that we are not contemplating making changes to the employment insurance boundaries at this time.

[Translation]

Mr. Yves Lessard: That at least is clear.

Minister, during the election campaign, the Prime Minister made a commitment to establish an independent employment insurance fund. To a question asked by the Bloc's leader in the House of Commons this past June, the Prime Minister answered that he had the same philosophy as the Bloc leader concerning the employment insurance fund and that his government was going to take a position on it soon.

You didn't support Bill C-205 or C-357, whereas you had voted for Bill C-280.

What is your position today on that?

[English]

Hon. Monte Solberg: Mr. Chairman, I need to point out that in the throne speech we did commit to improving the management and the governance of the employment insurance account. We're working on that. I think it's fair to say that workers around the country, and employers, want to have faith in the system. I'm not sure they have that faith today, and we're conscious of that.

With respect to private members' bills, there are rules to be followed. These are private members' bills that don't follow the rules of Parliament. They attempt to draw on the treasury. If we implemented all the private members' bills that came from your party, I can tell you the employment insurance account would be in a huge deficit, because every time you bring one forward, it's typically uncoded and has a price tag in the billions of dollars.

[Translation]

Mr. Yves Lessard: With all due respect, Minister, I don't want you to use the time to repeat the arguments you can use in the House. I just want to know whether or not you have changed your mind.

We think an independent fund is necessary. So I understand that you've changed your mind on the subject today.

• (1555)

[English]

Hon. Monte Solberg: Mr. Chairman, I guess what I'm suggesting to my friend is that we understand what the Prime Minister said. I think we've signalled fairly clearly our intentions in the throne speech. We want to improve the management and the governance of the employment insurance account. As the Prime Minister said in the House to the leader of the Bloc, we're very open to ideas from the Bloc and other members regarding how it should be structured.

[Translation]

Mr. Yves Lessard: Minister, my questions are clear. I'd like your answers to be clear as well. I don't want you to retract your explanations. From what I understood, you had made a commitment to create an independent fund, but that is not what you contend now. You're bringing up questions of an entirely technical nature.

So I'm going to ask another question, Mr. Chair.

In our opinion, the Canada Mortgage and Housing Corporation's surpluses should be used to eliminate the significant deficiencies in the development of affordable social housing. However, that is not currently the case.

Has your thinking on this issue progressed? Do you intend to hand over to the provinces the amounts of money necessary for them to accelerate social housing development?

[English]

Hon. Monte Solberg: Mr. Chairman, of course Canada Mortgage and Housing Corporation is an independent body. They have been running surpluses, but that's a very good thing. This is the organization that backstops mortgage insurance for hundreds of thousands of Canadians. We want to ensure that they, frankly, continue to make a profit, because in their profitability comes stability for homeowners around the country.

The member's issue regarding affordable housing is a very important one. That is why we have taken a number of steps, including the housing trust of \$1.4 billion. Combined with all the other initiatives that we currently support, that means we're spending more today on affordable housing than any government in history.

The Chair: Mr. Lessard, you have 30 seconds.

[Translation]

Mr. Yves Lessard: You know it isn't useful to have such large surpluses. This year, I believe we'll reach \$7 billion and it will be more than \$10 billion in 2010. That money could very well be used to develop affordable housing. The reserve can be much smaller. We find it hard to understand why you are still in favour of such a high reserve rate.

[English]

Hon. Monte Solberg: I need to point out to Mr. Lessard that right now there is a surplus—or a fund, rather—of \$3.7 billion, but it is a backstop to \$291 billion in mortgages that CMHC backstops for Canadians, so relative to the amount that's been set aside to support Canadians through mortgage insurance, it's really a pretty small amount; it's just over 1%.

The Chair: Thank you very much, Minister.

Thank you, Mr. Lessard.

We're now going to move to the NDP. Mr. Martin, sir, you have seven minutes.

Mr. Tony Martin (Sault Ste. Marie, NDP): Thank you very much.

Thanks for being here today, Minister.

I just wanted to go back to the summer student employment program and ask you if you've fixed all the problems with the arbitrary grid that was in place.

Hon. Monte Solberg: Well, we've certainly heard a lot of feedback from stakeholders regarding a number of the issues surrounding this. We are absolutely taking note of that and we'll try to reflect a lot of those ideas in the program when we announce it very soon.

The short answer, Tony, is that we've heard people on the criteria and we're very mindful that we need to give people confidence that it's going to work for them in the various parts of the country you represent.

Mr. Tony Martin: As you know, it was pretty confusing, particularly for the folks out there trying to deliver some of those programs, and confusing for the students themselves as they tried to figure out whether they were going to have a job over the summer. None of us could figure out quite how the decisions were really made and what that grid really looked like.

• (1600)

Hon. Monte Solberg: Well, all I can say is that I'm conscious of some of the concerns raised by the not-for-profit sector in particular. We tried to respond to that as quickly as possible, because it's obvious these groups do tremendous work. Our goal was always to give students the best possible work experience they can get, and that goal still remains. We made an effort to make sure that organizations were promising that kind of experience, so that students would get very good work experience that would be useful to them in their studies and would also allow them to save for post-secondary education. Those were what the criteria were designed to get.

To the degree that we weren't successful in doing that, we do want to make changes.

Mr. Tony Martin: Will there be anything in the program that rolls out this year that will respond to some of the regional economic disadvantages that exist out there across the country, in terms of some communities being able to attract their students back so that they in fact see that area as a place to maybe set up shop when they're finished school?

Hon. Monte Solberg: As someone who comes from a rural riding, I understand some of those concerns. I'm not going to announce what the new program will be like today, but a lot of these concerns have been raised, and raised in a rather forthright way, by many of you around this table, so we're going to take a lot of that input and try to reflect it in the design of the new program.

Mr. Tony Martin: I want to move to another subject. I noted in one section of the estimates that there will be a new plan in place to review how well government is doing—indicators, timelines, accountability, that sort of thing. Also, in another section there's a reference to the problem of low income and the prosperity gap continuing to be one that you're grappling with, that you're having a difficult time coming to terms with.

I was just wondering if there is a plan specifically in place or if you're working on a plan to reduce poverty and to reduce the prosperity gap. Do you agree that we need a plan? I was at a session last Monday night with poverty activists from across the country, and we had the minister from Newfoundland in speaking, and he talked about their plan. He also talked very clearly about the need, if they're going to be successful, for a national plan.

Hon. Monte Solberg: I would say that I'm very excited about some of the opportunities today to help a lot of people who are really stuck in poverty. And I see it a little differently.

I think we've tried to take some very practical steps to help people today. I admit it's not a grand plan, but we've invested very heavily in training, and very heavily in housing, for example. We're also hoping—and you and I have talked about this many times—that this committee will finish the employability study, which would be helpful. Then I've invited you and suggested to you that I would be very happy to receive a poverty study from this committee that takes into account, as I said to you personally, of course, the measures that government can put in place, but also avenues that we can use via the private sector to lever people up, something we're seeing to an increasing degree right now in this hot job market.

Mr. Tony Martin: The reality out there as more and more analysis and studies are done, and frankly, as governments try their best to put in place programs that move people along, is that we're finding more and more people taking advantage of opportunities to work. But even with working full time year-round, they're still living in poverty. Some of the studies that are done on child poverty are indicating that a lot of the children—and there are hundreds of thousands of them across the country—are living in families with a sole parent who is working full time and still not able to get their head above water.

Hon. Monte Solberg: I have to say I'm concerned about that. I've read a number of studies lately. I certainly read the study from John Richards regarding some of these things. I think he had some very strong views on how important it is to use the hot job market as a way to lift people out of poverty.

I take your point. I don't disagree with it at all. There are people working today who can't make ends meet and we need to work hard to find ways so that being in the workforce is rewarding and ultimately allows them to improve conditions for themselves and their families. I think all members of Parliament are concerned about that. I can tell you I've read a lot about it lately, and working with this committee, I want to put in place changes that realize that goal.

• (1605)

Mr. Tony Martin: I know that housing is a persistent challenge across the country. There are a number of people now working very aggressively and energetically on homelessness initiatives across the country, but what they're finding is they're spending as much time trying to raise money as they are actually doing the job.

Is there any intention on the government's part to put in some core funding for some of those agencies and those groups so they can really turn their mind and most of their creativity to actually solving the problem as opposed to continuing to have to fundraise?

Hon. Monte Solberg: What we've done with the homelessness partnering strategy is we're funding a lot of local groups to make judgments about who, within those communities, is in a position to provide services to people who are facing the potential of homelessness or are actually without a home today.

We've just started this program, of course. It just began with the beginning of the last fiscal year. So we're going to take a little bit of time to assess how well it's doing, but we're pretty encouraged with what we're seeing so far. I think it makes sense to have the real experts on these things engaged, the people who deliver the services on the ground. Hopefully, we'll find over a period of time that this is successful, and then maybe we'll be able to make the argument successfully that programming should be extended over a longer period of time. But it's a little early to say that, only a few months into the new program.

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

Now we'll move to the final individual this round. Ms. Yelich, for seven minutes, please.

Mrs. Lynne Yelich (Blackstrap, CPC): Thank you.

I have a few questions, then I will defer to Mr. Lake.

I, too, want to talk about Canada summer jobs, but from a different perspective.

First of all, though, I would like to ask you, from the questions today, do you think the opposition understands yet that the summer jobs program has nothing to do with ridings but has to do more with the whole national picture, that it's not everybody's riding and what they got? Do you think they've caught on yet that the program has been changed?

Hon. Monte Solberg: I would say the very good news is that this last summer was the hottest job market for youth in 15 years. Generally, youth did very well between the support we provided

through CSJ and what was occurring already. Through the private sector and the not-for-profit sector, there were many opportunities.

However, I think it always is a wise idea for members of Parliament to take as much of a national approach as possible. We're always pulled in two ways. We're pulled toward our ridings, obviously. We're members of Parliament. We have a job to do to represent people. But we also have to look at the big picture. We're obliged to do that, and hopefully we'll all agree to try to find that balance as we consider the new program when we roll that out very soon.

Mrs. Lynne Yelich: And that's what we look forward to.

My main question concerns the need to dispel some myths about the Canada summer jobs program. First of all, that there was \$80 million from the common experience payment account to pay for those summer jobs. There have been incorrect stories in the media, and some members actually believe them. Could you perhaps straighten this out?

Hon. Monte Solberg: I'd be happy to do that, and I want to thank my friend for that question.

This was a story that ran and it was factually untrue. The \$82 million the member raised, of course, was paid out to residential school students who were over the age of 65. It was paid out last year. This was not money that went to the Canada summer jobs program from residential schools; it was actually a payment to residential school students. So that's a pretty important point to make, and I appreciate the chance to correct the record on that.

Of course, as everyone knows and as I mentioned in my remarks, we are now approaching \$600 million in payments to people who went to residential schools and were eligible for the common experience payment.

Mrs. Lynne Yelich: And I think it's helpful for the committee to understand that it was an advance payment, because it was suggested that these advances be paid out early. I think it also has to be reiterated.

Hon. Monte Solberg: It's a good point. The people who were receiving these payments tended to be very elderly. You know, tomorrow is promised to none of us, and we wanted, in a good faith attempt, to show that we understood our obligation with respect to this program. We got that money out the door as quickly as possible to make sure that very elderly people who had passed through the residential schools had the chance to enjoy the benefits of the common experience payment.

• (1610)

Mrs. Lynne Yelich: Would you also like to comment on the delays for people who have applied for the common experience payment? Could you update the committee on what's happening in regard to the service standards on that? How many applications have been made and how many payments?

Hon. Monte Solberg: As I said in my remarks, about 79,000 have actually applied for the program. We've paid out, as I recall, a total of \$600 million so far to 25,000 people.

Sometimes it's challenging, because people will come to us with not very much information. But I can tell you that the officials at Service Canada have been working very hard, along with the officials at Indian and Northern Affairs Canada, to make sure we do everything we can to get this funding out as quickly as possible.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): I'm going to take over now. I probably have time for one quick question before the next round.

You mentioned in your speaking notes the national homelessness initiative and the homelessness partnering strategy, \$25.1 million. I had an opportunity in Edmonton to attend the opening of the L'Arche Ted Bradshaw House, which is a home for aging people with developmental disabilities. Six people live in the home and they have the live-in support they need there. It's a wonderful program, dealing with some of the issues we deal with from a homelessness perspective.

I have a son with autism, so it's something that's fairly close to my heart, obviously. As a parent you always kind of wonder what's going to happen when your child gets older and you're not around to take care of him any more.

Would you speak a little bit more to this homelessness partnering strategy? It seemed there was a lot of support in the room at that opening to the concept of bringing different groups together and taking ownership of something like that.

Hon. Monte Solberg: I'm happy to.

This is an issue that I think really crosses party bounds. I've talked to a lot of people on this committee about the wisdom of having a lot of these problems resolved at the local level, to the degree that we can.

The homelessness partnering strategy brings together the federal government, the provincial government, municipal governments, the not-for-profit sector, and in many cases the private sector as well to try to resolve problems that might be unique to a particular community. I think that's a terrific idea. I think it's potentially a model for doing a lot of the programming that we do in the future. But as I said before, we're in the early days and trying to figure out how effective it is.

The idea of local solutions to local problems makes a lot of sense to me. I think it makes sense to a lot of folks. As I said before, the real expertise isn't here in Ottawa with me; it's with folks on the ground who experience these things every day.

The Chair: You have 30 seconds.

Mr. Mike Lake: I'll follow up on that.

You did mention the extension of the labour market agreements for persons with disabilities with the provinces and territories. I come from Alberta, where our really tight labour market right now is a real challenge for us, but one of the opportunities of that tight labour market is that there are opportunities for people who may not have had opportunities in the past.

A lot of those people would be people with disabilities. Can you speak to that a bit?

Hon. Monte Solberg: Sure.

I think that again it's something that crosses party bounds. Everyone wants to make sure that persons with disabilities have an opportunity to contribute. One of the unique perks of this job is that you get to meet all kinds of interesting and, frankly, pretty inspiring people who face all kinds of barriers that most of us don't have to face. I think we're obligated to try to give them the skills and abilities that will allow them to step into the labour market. Today, perhaps more than at any point in our history, they have a chance to do that. It's pretty exciting, actually.

You see it in places like Alberta and British Columbia, where I have to say it's sometimes not necessarily out of the goodness of their hearts that employers are going to people in the disabled community to offer them jobs, but because they have to. But you know what? As far as I'm concerned, I don't care; as long as people are getting those opportunities, that's terrific. So we're going to continue to work hard and hopefully get good advice from this committee on how to do an even better job of helping people with disabilities step into the workforce.

• (1615)

The Chair: Thank you very much.

We're now going to move to our second round of five minutes.

Ms. Sgro, you have five minutes.

Hon. Judy Sgro (York West, Lib.): Thank you very much.

I'm glad you're here. I hope you enjoy being on that hot seat today. Some of us have been there, and I know you're enjoying every second of being here with us.

On the issue of the criteria and the summer school program, I think, along with my colleagues, that I'm not interesting in riding issues; I'm interested in making sure we have support for Canadian kids all over the country. I represent, as do many of the others, very high-risk kids in a lot of areas who relied on those programs specifically as the first job opportunity they'd ever had. I can send you lots of letters from young people who were going down a certain path; we were able to use that program to give them a real job opportunity for 8 or 10 or 12 weeks. That and other support programs we have turned them away from going into a life of crime and down a wrong road when they saw what it was to have a real job. So it was a big concern this summer when we had all those issues in and around the criteria.

Have you completed the review you were doing on that program, and are you going to make sure you have an area that's going to handle those high-risk areas where we need to provide opportunities for those young people?

Hon. Monte Solberg: Let me first of all say, in response to your general remarks, that I agree that one of the best ways to help people who face these challenges or who come out of very tough situations is to provide a pathway to a job that very often gives them responsibility and attention that maybe they haven't ever received before. That can only be a good thing, so in general I completely agree with you.

I don't know how to say it, except to say that many of you have forcefully made your point about criteria, and I hear your message on this. Our job is to strike a balance between making sure students have the best possible job options and making sure groups that are doing a tremendous amount of good in their individual communities can hire students to fill those positions and do those jobs.

I suspect that maybe we erred a bit too much on the side of putting an emphasis on helping students who were in trouble in certain ways so that they could get those jobs. That's a solid criticism, and we'll take that into account. But I can guarantee you that our goal is exactly the same as yours: to make sure we get people into jobs. It's the best possible way to help them make the journey from dependence to independence and on to success.

Hon. Judy Sgro: I appreciate the fact that you recognize the value of a variety of good, solid Liberal programs that were there and that you are building on for the benefit of all Canadians.

We've been talking about jobs, and about how the job market is going up from a numbers perspective. But I'm more interested in the situation in which someone was earning \$30 an hour—i.e., in the auto industry or some of the other manufacturing areas—and is now earning \$7 an hour. So the numbers may be going up, but these jobs pay \$7 an hour.

What is the plan for those age 55 and older who are losing their jobs, and for those others who are living on \$7 or \$7.50 an hour? It's okay to live on that when you're learning, when you're a youngster just out of school, but it isn't helpful for many of the people who are now looking for employment.

Hon. Monte Solberg: Well, I'm pretty sympathetic to the people who have been at a particular job their whole life and who all of a sudden, because of the real troubles we're experiencing in manufacturing and particularly forestry, find themselves without a job. We have commissioned an expert panel on older workers. Former Senator Cohen will be bringing forward recommendations pretty soon regarding that.

But the good news—and this isn't something I thought I would ever live to see—is that older workers are finding jobs. As well, wages are rising. Wages last month were up 4.1% as compared with last October. That's the biggest increase since we started keeping records. A lot of people are transitioning out of manufacturing and into construction-type jobs. People are making very good incomes going into trucking, for instance.

This is a very different labour market from what I experienced as a kid growing up. When a factory would close down, it would mean the end for the town. Today things have changed a lot. And it's good news.

• (1620)

Hon. Judy Sgro: Thank you very much.

The Chair: Thank you, Ms. Sgro.

Mr. Gourde, five minutes, please.

[Translation]

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Thank you, Mr. Chairman.

Our country, Canada, is currently experiencing strong economic growth. More than ever people are working, and the unemployment rate is at its lowest level in the past 30 years, 5.8% nationally and 6.9% in the province of Quebec. And yet some sectors are experiencing difficulties, particularly the manufacturing and forest sectors.

Minister, could you tell the committee what you are doing for workers who do not have the necessary skills to start a new career in new sectors of the economy? Do workers' skill levels improve their chances of finding a job for the future? And what actions are being taken in that direction?

[English]

Hon. Monte Solberg: Thanks for that question.

First of all, I have to point out that we did announce the renewal of the extended EI pilot for people in regions of chronically high unemployment and not many year-round full-time jobs.

Secondly, a number of different things are in place to help people in these positions. Of course people have employment insurance initially, and on top of that they have employment insurance part II benefits. A total of \$2 billion a year goes to the provinces to help retrain the people who are eligible for EI.

Then, of course, there's the targeted initiative for older workers, which we brought in. That is helping a lot of people. We've announced 40 projects around the country, 20 of them in Quebec.

As I said before, the good news is that people are stepping from those programs right into jobs. That includes older workers, and in fact at a much higher rate. Last month older workers made up the majority of the successful job seekers in this country. That is pretty remarkable. It's tremendous news. Obviously older workers have a lot that they can still contribute.

We've also announced that under the new labour market agreements, \$500 million a year will go to help people find jobs when they're not eligible for employment insurance. This would include, for instance, a recent immigrant looking for their first job experience, someone with a disability, someone with low literacy skills, or someone on social assistance.

We've also doubled the size of the aboriginal skills employment program. That is a tremendous program that's helping a lot of people.

So although I'm very sympathetic to people in all parts of the country who are struggling with these closures, this is not the same country it was fifteen years ago, for instance. There are lots of opportunities out there, and we have to make sure we give people every possible chance to be successful.

[Translation]

Mr. Jacques Gourde: Thank you.

I hand the floor over to Michael.

[English]

The Chair: Mr. Chong, there are two minutes left.

Hon. Michael Chong (Wellington—Halton Hills, CPC): Thank you, Mr. Chair.

I have two minutes to start a simple question for the minister.

Recently we've heard a lot of discussion around poverty in Canada. Maybe you could tell this committee where the poverty is and what steps your department is taking to address this problem.

Hon. Monte Solberg: Thanks for that.

It is a serious issue, and it has been very much in the news lately. The good news is that according to Statistics Canada, as employment rates climb, poverty rates have fallen. And that is generally true across all the vulnerable groups. But there are some groups that tend to chronically struggle with these issues—single parents. Mr. Martin pointed this out. We also see it with aboriginals, particularly aboriginals on reserve. We see it with people who have disabilities. Recent immigrants make up some of those numbers, as well.

As Gord Mackintosh, the NDP social services minister in Manitoba, says, the path from poverty is employment. I agree with him. I think that's the best possible way to help people. But there are people who are not ever going to be in a position where they can step into a job. We're obliged to make sure we meet their basic needs as well, through income support, so they can live a decent life.

• (1625)

The Chair: Thank you.

We're going to move to Madame Bonsant, for five minutes.

[*Translation*]

Ms. France Bonsant (Compton—Stanstead, BQ): Thank you.

Minister, I only have five minutes, so my questions will be clear and specific. I'd like some clear and specific answers.

In view of everything that happened at Canada Summer Jobs and the ensuing debacle there, I'd like to know how much the management of that program cost in 2007.

[*English*]

Hon. Monte Solberg: I'd have to get back to you with the precise numbers on the management costs; I don't know that I have that handy. It was a program that provided jobs for 42,000 students, and for longer durations, so I think it would be a bit of stretch to say that it didn't work out for students.

[*Translation*]

Ms. France Bonsant: I agree because I've been working on the Canada Summer Jobs file since 2004. It's a victory for the Bloc. You centralized it in Montreal and, as a result of our pressure, it went back to Human Resources in Sherbrooke, in my riding. It's duplicated.

I'd also like to know the Canada Summer Jobs' budget for 2008? Do you know it? Are you able to announce it to us?

[*English*]

Hon. Monte Solberg: Well, I won't be announcing that today. But I can tell you that we tried to reflect a lot of the concerns that people raised with respect to criteria, budgets, all these kinds of things. We will be coming back to you soon with an explanation of what we intend to do.

[*Translation*]

Ms. France Bonsant: That means it's still \$45 million, what the former minister said it was.

I have examined your appropriations. You said that \$82 million had been allocated to Indian residential schools. On page 232 of the document, we see that \$36 million was transferred to other programs.

How is that?

[*English*]

Hon. Monte Solberg: I have the press release from 2006, actually. What occurred was that we paid \$82 million to the common experience payment. There was no funding that came from the common experience payment to Canada summer jobs. None of that has changed. I'd be happy to walk you through some of the particular numbers, if you can help me out with what you're looking at.

[*Translation*]

Ms. France Bonsant: We'll come back to that. I have other questions.

In addition, in your own Budget 2007, it was stated that the amounts allocated to persons with disabilities and youth, particularly in respect of training, were to be transferred to Quebec and the provinces.

Where do the negotiations with the provinces stand in this regard?

[*English*]

Hon. Monte Solberg: I'm sorry, are you talking about in the budget, or are you talking—

[*Translation*]

Ms. France Bonsant: Yes. You said in your budget that you would transfer money to the jurisdictions of the provinces, that is youth, persons with disabilities, and not Aboriginal persons, but the three parties...

An hon. member: Immigrants.

Ms. France Bonsant: Immigrants; pardon me.

I want to know how far the negotiations with the provinces on this matter have gotten.

[*English*]

Hon. Monte Solberg: Those are the labour market development agreements, \$500 million, and we announced that we would explore the feasibility of transferring some of this programming to the provinces. We are having those discussions. We have no mandate to go ahead and simply make that transfer, but we wanted to explore that with our provincial colleagues. We're still doing that; we're in that process now.

[*Translation*]

Ms. France Bonsant: You don't have any mandate from the provinces. Do you have a mandate from Quebec? Training is a provincial jurisdiction. I was wondering where matters stood with Quebec's Minister of Labour.

[English]

Hon. Monte Solberg: Well, I can tell you that the officials are discussing these things. As I said before, it is a question of establishing the feasibility. We're not entering into negotiations with the provinces on that at this time.

[Translation]

Ms. France Bonsant: Since 2004, we have worked on 22 recommendations concerning Canada Summer Jobs. You're familiar with them. In 2006, your party even voted in favour of those 22 recommendations. I'd like to know when you're going to implement them.

My other question concerns the list of Quebec organizations, which is in PDF format on the Internet. Would it be possible to ask officials to convert that to Word format so that we can have them by riding, not by company?

• (1630)

[English]

Hon. Monte Solberg: As I said before, we will be announcing the new program pretty soon. Hopefully, you'll find it to your satisfaction.

With respect to the list, it's true that the list of different groups that were funded is on the Internet today. We've done it by province because that, of course, is how it was funded.

[Translation]

Ms. France Bonsant: Instead of doing my searches by organization, I'd like to do it by riding, as I used to do. Is it possible for officials to provide us with that in Word format, not PDF format? Otherwise it's impossible.

[English]

The Chair: A quick response, please.

Hon. Monte Solberg: First of all, it has been provided that way in years past, but it was in the distant past. It wasn't the practice for a few years to provide it on the Internet, but I'll discuss that with the officials and see if there's a way we can be helpful.

The Chair: Thank you, Madame Bonsant.

I'm going to move to Mr. Cuzner, for five minutes, sir.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Thank you very much, Mr. Minister and officials, for being here today.

I have a brick and a bouquet.

I'll start with the bouquet, and that's the extension of the EI provisions for seasonal workers today. That was a good announcement. I think you'll find the components of that program are essential to persons who are working in seasonal industries, and I hope that eventually that will roll into a permanent aspect of the EI system. So I want to congratulate you on that.

I have another little bouquet. It is for returning my calls this September, when we were in the midst of a bit of a crisis down in Cape Breton. Whether that was based on years of friendship or because of your great sense of duty to doing the Queen's business, whatever the motivation was, I appreciated the call.

The brick is that the issue that I phoned on remains unsolved. That's to do with the allocation of training dollars, really, across Nova Scotia. I'll tell you, if you believe nothing else that I say here today, Minister, between the summer jobs situation and the training dollars in September, this would have been the worst year that a lot of your front-line employees would have had in their public service careers. It has been a tough six months on those employees, because of the change. I know change is always difficult—but because of the change.

Where we sit now is that we have a fund that's supposed to be there for training, and your officials will not tell you that the fund is broken. They'll say there's money in the fund, but we know that the money in the fund can only go to four focus groups: persons with disabilities, first nations, visible minorities, and displaced workers. Those are the groups that can receive funding.

There's no more money for training. For anybody who has registration in January, January intakes, continual intakes, there's no money there. JPCs—no money available for JPCs. We had a great program in Glace Bay, citizens' services, where we trained a number of carpenters and tradespeople over the years, and then they would go into full-time employment. So those dollars are gone.

My question is, are there additional dollars within the system, or additional dollars from the centre, are there moneys that can be reprofiled, so that we don't lose five or six months of training opportunities, or JPCs, community investments, going forward to the fiscal end?

Hon. Monte Solberg: First of all, I appreciate the bouquets.

With respect to some of the issues you raised, first of all there is still funding there, and there will be funding. Right now we're considering funding for a number of people who are applying at colleges and this kind of thing for the beginning of the year, so there is still funding there.

I appreciate the concern about the scope of the funding and the groups that will have the best chance of getting funding. All I can tell you is that in the past the program's always been oversubscribed. There's no cut in funding.

The one thing we did do this year was pick up several million dollars' worth of funding for the province when they had a court decision go against them that wouldn't permit them to provide income support to social services recipients. We picked that up. People who were on social assistance are hopefully, because of this, going to end up getting jobs, which is good news. It means that obviously there's not quite as much money to go around at the end, but the budget, as you know, hasn't changed; in fact, the amount of money will actually increase for training in Cape Breton and across Nova Scotia because of some of the other training initiatives we've put in place.

•(1635)

Mr. Rodger Cuzner: I see the officials shaking their heads “yes”, but I stood in those classrooms; I stood in those training areas. I've got a story here of a young lady, a single mother with three children, who was making \$9 an hour. She started her program in September; they told her there was no money left for her to qualify. She's now without a job, and because she left her job voluntarily, she's not eligible for EI.

They're going to tell you there's money in the program, and there isn't for those people. They're saying call centre employees who are making \$9 an hour are job-ready and they're not supporting them, so they're twisting the criteria to pencil these people out. We've got people hurting in the community, and I don't think my community is unique. It's not as severe in Halifax or in Dartmouth, but in rural communities it's severe. I really ask you, Minister, to scratch through the....

You know, sometimes when you're asking the guy who's designed the program to provide his comments on it, we call it leaving the dog in charge of the meat. We've got to scratch down past that and get down to the people this is impacting.

Hon. Monte Solberg: I'm happy to have a look at this. I'm concerned if there's some indication that individuals were led to believe they could step into a program and found out when they got there that they couldn't. It's hard to discuss individual cases, but as you know, if you take in some, you're going to leave out others. That's been the case every year. The best way to resolve that is to put more money in overall, which is what we're doing. Through the new labour market agreements, we're talking about millions and millions of dollars going to Nova Scotia so that there's more capacity to provide exactly the type of training that we're talking about.

Overall, while I appreciate some of the criticisms of the particulars of this program, you know where we're going: we're putting more money into training overall, which is tremendous news.

The Chair: Thank you very much.

We're now going to move back to the Conservatives. Mr. Gourde and Mr. Chong are going to split their time.

Go ahead, Mr. Gourde.

[*Translation*]

Mr. Jacques Gourde: Thank you, Mr. Chair.

More generally, Minister, could you tell us about the current labour market statistics? What is the employment rate? How many jobs were created this month and this year? Lastly, how many jobs have been created since your government was elected, that is in the past 23 months?

[*English*]

Hon. Monte Solberg: I appreciate that. The job market is hot: 652,000 new jobs have been created in the last 22 months, which is an astounding number. As demographics continue to work against us and people continue to retire, there's no reason to believe that we won't see a tremendous demand for workers. That's obviously good news for a lot of folks. In Quebec we see the hottest labour markets in 33 years. The gap between Quebec's labour market and Ontario's is really starting to narrow, so it's very good.

That said, there are challenges, but there are also opportunities. In the forestry sector there are big challenges; on the other hand, the mining sector is demanding new workers, and they've shown a real desire to work with forestry workers to provide them with the training they need to get into that sector, and that's great news.

I'm conscious of the criticism that a lot of the new jobs being created are low-paying service sector jobs, but that's really not the case. In the construction sector and in sectors like trucking and utilities, there has been tremendous job growth across the country, so there really are opportunities today that a generation ago we probably couldn't have imagined.

[*Translation*]

Mr. Jacques Gourde: Minister, could you summarize for us the announcement you made today and its importance for workers?

[*English*]

Hon. Monte Solberg: It is good news. Obviously the 21 employment insurance regions that are affected are parts of the country where, despite their best efforts, many workers can't find year-round, full-time employment. This will ensure there are enough weeks of support through this extended benefits pilot so they'll be able to complete their entire earnings year. It will be very helpful to a lot of people, but it will also be helpful to the department, which can take the data that we collect over the three years that this particular pilot has been in place and use it to figure out the best possible way to support people going forward. As I said in the House today, the best way, in my judgment, is to continue to provide people with skills so that they can step into better jobs, and also that results, of course, in incomes going up.

•(1640)

The Chair: Thank you, Minister.

Hon. Michael Chong: Minister, I have a question about employment insurance. Over the last while we often have had to deal with employment insurance bills that come in front of this committee as private member's bills. There seem to be a lot of private member's bills that have been proposed and are presently on the order paper that propose to use the employment insurance fund as a solution to all sorts of problems. For example, for the problem of worker shortage, it has been proposed to use the EI fund as a way to enhance worker training. For the problem of those families with a mother, father, or family member who is ill, there's been a proposal to enhance leave benefits for the other family member.

In my view, the problem is that these bills that propose to use employment insurance as a solution leave out a whole swath of Canadians who are not eligible to participate in the employment insurance fund—many self-employed Canadians, many Canadians working on contract, often those living in the country's largest cities like Toronto, often new Canadians, often those Canadians who are in poverty. I wonder if you concur with my viewpoint on this, that the employment insurance fund is not of universal import and is not necessarily the best way to deal with some of these problems.

The Chair: Minister, could you answer in just about 30 seconds?

Hon. Monte Solberg: Sure.

One of the things we've done—and I already touched on this—is announce these new labour market agreements, \$3 billion over six years, and they are targeted toward some of the people you've talked about, such as recent immigrants who've never had a job and therefore aren't EI-eligible. They can get the training they need to step right into a job. Hopefully it will be on-the-job training. That seems to be some of the best training.

Also with respect to people working from contract to contract, the flexibility in these labour market agreements is broad enough so that those people can get the training they need to potentially step into a full-time job if that's their wish. It also helps people get the language and literacy skills they need, the basic general skills they need to step into a job. It has been a huge gap in our training up until now, and combined with the very hot job market, it is the ideal time to get a lot of people engaged in the job market who never would be otherwise.

The Chair: Thank you, Mr. Minister.

Mr. Martin, for five minutes, sir.

Mr. Tony Martin: Thank you very much.

I've heard you say a couple of times this afternoon that the most effective response to poverty, as you quoted the minister from Manitoba, is employment. Anybody who has tried to put together a plan to actually reduce employment, whether that be Britain, Ireland, Newfoundland and Labrador now, or Quebec, will tell you that it's not as simple as that. They wish it were, but it's not. It requires a comprehensive, integrated approach that includes a lot of things.

I know that your government in the last budget brought forward an initiative that was targeted at the large group of people who are actually out there trying to take advantage of some jobs that are available. And people will work given that opportunity. That has always been my experience. More and more they're finding themselves, even with that, not being able to pay the bills. They're working full-time. They're working year-round. They can't feed their kids. They can't pay the rent.

You had introduced the WITB. Where is that? What's happening with it? How is that working? I explained to you the last time you were in front of us that it doesn't work for a whole lot of people. A single person working full-time year-round doesn't qualify, nor does a family, given the low threshold you had in there.

• (1645)

Hon. Monte Solberg: That's an important issue. The working income tax benefit is an attempt to make sure we reduce the marginal effective tax rates for people who are transitioning from a lot of benefit programs and those kinds of things and into more lucrative jobs. Of course, the way it works now, 60¢ of every dollar you earn as you cross that threshold might be clawed back through the loss of benefits and through taxes. The idea is to reduce that.

Can we do more? Perhaps we can, but that will be something Mr. Flaherty has to decide. It's very true that we put a lot of emphasis on helping people get into the labour market, but it's not a panacea, I agree with you. However, the data we've seen has indicated that as jobs have increased, poverty has gone down. At some point, though, you get to a point where that is not going to happen as much because

people's needs are too great or because people can't work in some cases. Obviously we do have to provide income support—and adequate income support—for people in those positions.

Just to wrap up, it's not simple. These things are complicated, and the government always has limited resources and unlimited demands. It's a challenge to try to meet them all.

Mr. Tony Martin: What is the status of the WITB at the moment?

Hon. Monte Solberg: WITB is in place. And with respect to the WITB and a number of tax measures that we put in place, I would just say that they will actually have the effect of helping a lot of people make ends meet when they're actually working but are still not earning a lot of income. You have the working income tax benefit and the EI changes that lift 385,000 people off the tax rolls, and even the GST cut will make a difference of several hundred dollars for people. The new child tax credit will make a difference for a lot of people as well. And there's the universal child care benefit, of course. All of these things contribute and make it easier for working families.

Mr. Tony Martin: I haven't seen it in the estimates, but are you looking at any kind of substantial investment in housing across the country? Again, getting back to the some of the difficulties that people who actually have found work are having, I may have told you this before too. I was in Calgary a year ago, and I looked at the very terrible circumstance there for folks who have gone to Calgary looking for work, have gotten work, but then can't find a place to live. That's happening not just in Calgary but in many communities.

I know my own community has experienced a little bit of a turnaround and is below 1% in terms of its vacancy rate. We're also beginning to find that some of the affordable housing that is available is now deteriorating to a point where it's no longer going to be available.

Hon. Monte Solberg: This is a very complicated problem, as you know. We've invested a lot of money into this so far. We're 22 months in and we've put a lot of money in, but I think it does require our best thinking.

In my speech, I talked about a residential rehabilitation assistance program, which is helpful to ensure that housing doesn't become dilapidated. We put money into the housing trust and the affordable housing initiative. I could give you a long list, but I guess I would simply say we're going to work very hard with our provincial partners and others to try to come up with some solutions to address these problems.

There are no easy answers. On the one hand, you'll have communities where you have high levels of poverty and they have problems with housing. On the other hand, you'll have communities that are very prosperous and, for opposite reasons, they have problems with housing. Calgary is a good example.

I hope you don't think it's a cliché to say it really requires all levels of government, the private sector, and not-for-profits to try to come up with some creative solutions to help people get over this hump. At the same time, we should be conscious of the fact that Canada is in a pretty enviable position compared to many countries in the world.

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

We're now going to move to Mr. Silva for five minutes, please.

Mr. Mario Silva (Davenport, Lib.): Thank you, Mr. Chair.

Thank you, Minister. I'm going to try to be very brief, given that my colleague also has questions to ask during my time.

When I was going through the estimates, I found one of the things that concern me on page 90. There is an issue of, I think, about an additional \$5 million that's going to be spent to litigate and for legal services to go after students who have loans to be paid.

A great amount of concern has been raised by a lot of students about the fact that the government has not made any announcement about the millennium scholarships that are in place. As you know, those scholarships end in 2009, and there's great uncertainty. Now they're raising the issue of whether or not there are in fact additional moneys now going to be used to get after students, as opposed to contributing to their better education and to their higher education.

• (1650)

Hon. Monte Solberg: We are doing a review of the student loans program. We're conscious of the millennium scholarship fund. We've been meeting with a number of stakeholders to talk about these things.

Of course, all governments put money into collecting bad debts caused by people who are unable to repay their student loans. But I also point out that there is legislation coming through the Senate now that would make it easier for people who have large student loans and are unable to repay them to escape from underneath that burden—Bill C-12, I think it is.

I would also point out that we have invested very heavily in education. Yes, there may be \$5 million in there to help collect bad debts, but there's \$800 million going in this year to boost the system, and a number of other measures we put in place to help students.

Mr. Mario Silva: I do believe in the old adage that all politics is local, so if I may, I'll ask a question also about the Canada summer jobs program. This is an issue that even predates you and this government.

I've mentioned this before in this committee. Many agencies and organizations for years have been talking about the fact that by the time they actually find out they qualify and get the moneys, it is too late for them sometimes to hire students, and it becomes very difficult. I've asked whether there is any way they could be given a month earlier so that it makes it easier for people to in fact get good students to work for them.

Hon. Monte Solberg: I think that's an important point. We're conscious of that. Again, this has been raised with us.

We're going to do our level best to get the information out as soon as we can for those reasons. Of course, you also make the point that

students are finding it easier to get jobs in many places today, which is good news. That said, this program is also about supporting important not-for-profits that do good work. We want to make sure that we help them as much as we can. So I take that point.

The Chair: You have two minutes.

Mr. Michael Savage: Thank you, Minister.

My colleague Mr. Cuzner mentioned he had chatted with you about a local issue in his riding that I have in my riding as well. I want to thank you for your attention to that, and Alison, as well, in your office, who's been very kind in getting back to me.

It is an issue that requires monitoring, and I'm going to ask you to consider, please, staying on top of that on behalf of the 500-plus Moirs workers in my area, who are out of work now this month. It's a very serious situation that involves employer-sponsored training. I'm going to ask you to take care of that.

I want to make one comment about the millennium scholarship. There had been concerns over the last five years or so about the millennium scholarship, but those concerns have been answered. It is an accountable organization. Even the Auditor General, who had concerns halfway through the program, indicates it an accountable organization. A very high percentage of the money is going to the students. A very high percentage of it is needs-based. It works across Canada in all the provinces and territories. It's providing \$350 million in funding for students.

I urge you...the government has a habit of taking programs that work and changing them and then they don't work. We've been talking about the Canada summer jobs program, so I have an idea. If you want to change it, take it, change the name, keep the same initials. Instead of calling it the Millennium Scholarship Foundation, call it the Monte Solberg Foundation, but leave the program as it is because it works. It works for Canadian students.

Hon. Monte Solberg: I was going to say the Mike Savage Foundation, actually.

Some hon. members: Oh, oh!

Mr. Michael Savage: I thought of that. If it had come up under my watch, I might have considered that.

Anyway, it's a wonderful program. I urge your consideration. I put a question on the order paper, asking what the status of it was, and I got three measly sentences.

I appreciate the bluntness you've shown today on a lot of issues. I just urge you to have a very serious look, you and your colleagues, at the millennium scholarship. I hope it gets replenished.

Hon. Monte Solberg: I appreciate your points with respect to the millennium scholarship fund.

I think what we're attempting to do is ask, where is Canada falling short in terms of producing students? We know we have a great record of getting students into post-secondary education—the highest in the world. We don't graduate as many as we'd like, and we don't know about how well they do in terms of going on to graduate school and this kind of thing. Our challenge is getting them into the maths and sciences. So we're trying to take all of that into account as we consider where we go next. We're aware that we're 18 months away from the wrap-up of that program.

• (1655)

Mr. Michael Savage: Maths and sciences are very important, but so are the social sciences and humanities, very important as well. I hope they wouldn't be in any way sacrificed.

Thank you for your time.

Hon. Monte Solberg: Yes, I hear what you're saying. Thank you.

The Chair: Thank you very much.

We're now going to move to Mr. Chong, five minutes.

Hon. Michael Chong: Thank you, Mr. Chair.

Minister, I want to return to the issue of employment insurance, since it is such a big part of what your department does and also because it seems to come up frequently in Parliament, the issue of using employment insurance as a way to deliver a whole range of new benefits, whether it be enhanced worker training or enhanced worker mobility or leave for families who have a member of the family who is ill, and the like.

I want to return to this for those two reasons. It seems to me we are constantly being presented with proposals to enhance employment insurance, to use employment insurance as a panacea for all our problems, whether they be poverty or labour mobility or otherwise. The problem with employment insurance, as we all know, is that it's not universal, in the sense that not everybody is eligible to pay into it. If you're a contract employee, if you're self-employed, you're not eligible to use the program. If you're a cab driver in Toronto, if you've opened a falafel shop in Montreal, if you're a bricklayer on contract in Calgary or Vancouver, you are simply not eligible to pay into the program. The biggest group that's not eligible to pay into it, ironically, is the unemployed. New Canadians and those who are chronically unemployed are not eligible for the program because they simply don't have any way to pay into the fund and receive its benefits.

I'm wondering if you could tell this committee a little bit more about the rules around which people are eligible for the program, and why, in your view, some of these private member's bills that come in front of us from time to time are not the best way to proceed?

Hon. Monte Solberg: A lot of issues are wrapped up in that excellent question. With respect to private member's bills, I appreciate the help my colleagues from the opposition are giving us in trying to suggest new uses for the employment insurance fund, but I would make a couple of points.

First of all, private member's bills have rules to follow, and very often they're completely outside the rules. Secondly, if we implemented a fraction of them, the employment insurance fund would be running a huge deficit.

We're trying to make sure we reduce premiums whenever possible. We've done that. We announced there will be a premium reduction on January 1, the second year we've done that.

Secondly, we do enhance benefits when we believe it's a way of helping encourage workplace attachment. And if you look at the compassionate benefits we extended, we made it possible for other family members to be included in that group, and that allows people to stay attached to the workforce. So that's a good thing.

But this raises the larger issue. For a long time, my department was all about providing people with income support. That's obviously extraordinarily important, and we will continue to do that and enhance it where it's necessary. But the challenges of the future are much different. They are about filling these yawning labour market needs.

Training is obviously key to doing that. We've invested heavily in that. The new labour market development agreements are not a panacea, but they provide the provinces, working with employers, a lot of flexibility so they can take potential employees, no matter what their background, and try to develop training that fits their needs. In some cases it might be literacy, in other cases it'll just be making sure they're accustomed to the Canadian workplace. Other people have other challenges.

This is a pretty exciting new development. One of the best programs—I already touched on it—is the aboriginal skills and employment partnership. We've more than doubled its size. It's extraordinarily popular with employers. I can tell you it's a sea change in attitudes. A few years ago, I don't think anyone would debate that large employers were not very interested in hiring aboriginals. Today they can hardly wait to get into this program and work with aboriginals to get them into the workforce. That's tremendous news for aboriginal workers, who want the same thing as everybody else has: the chance to be successful. It's tremendous news for large employers who need good workers. And you see it, whether it's at Voisey's Bay or at Manitoba Hydro or VanASEP or Syncrude or Suncor, they're all engaged in this, and it's a win-win.

It's very exciting, and I'm excited about the future of the country, in terms of that, and for the department as well.

• (1700)

The Chair: Thank you very much, and thank you, Mr. Chong.

Everyone has now had a chance to go once.

Minister, I have one quick question from Mr. Lessard and one quick one from Mr. Cuzner, just to finish off. Everyone has had an opportunity.

Mr. Lessard has a quick intervention, then Mr. Cuzner, then Mr. Lake, and we'll wrap it at that.

Mr. Lessard.

[*Translation*]

Mr. Yves Lessard: Thank you, Mr. Chair. I very much appreciate it, particularly since our question period was shortened at the start of the meeting.

I also appreciate Mr. Chong's question. I think it accurately reflects a reality. Most unemployed persons do not receive employment insurance benefits. I clearly understand the philosophy you're developing. You say that, if they don't receive any employment insurance benefits, they will go to work. I find that a somewhat cavalier and unrealistic way to do things. This is a situation that cannot last.

Minister, I find your answers very breezy given the situation. I'm not saying that in a gratuitous manner. Let's take the situation of Aboriginal people, for example. It is not accurate to say that it is easy for them to access and adjust to employment. It's very difficult for them in their present situation.

You also cited the literacy programs to help people adjust to employment as an example. Minister, you've cut \$17 million from a budget of \$52 million. What you said is not correct. I would appreciate more concrete answers concerning a situation that is much more serious than the one you're describing to me now.

I'll close by asking you a question. This didn't occur during your mandate, but it may be repeating. With regard to compassionate leave, there was a budget of approximately \$78 million. It cost \$70 million to administer and approximately \$10 million at most was paid out in benefits for 2005-2006. I put the question to two ministers who previously visited us, and an answer was postponed each time. Have you had the opportunity to check that?

[English]

Hon. Monte Solberg: I'm going to check that, but with respect to literacy, we have put more money into literacy, all told, than any government ever has. I don't disagree that we made cuts to specific programming, but we also have doubled the size of settlement funding so that newcomers to this country can get the language and literacy skills they need. Through the new labour market agreements there is \$500 million a year. A big chunk of that can and will be used to provide basic literacy so that people can step into jobs. It's simply not true that we've reduced spending overall. We've increased spending dramatically when it comes to literacy.

With respect to aboriginals, I didn't suggest that it was easy for aboriginals. Quite the contrary, I'm suggesting that it has been very difficult for aboriginals to land in the workforce, which is precisely why we've doubled the size of this program that gives them those opportunities.

[Translation]

Mr. Yves Lessard: I'm going to clarify one point, Minister. I'm referring to the economic statement of September 25 or 26 of last year, according to which you cut \$17 million for literacy. Go and see; it's actually cut from literacy. We feel there is an equation. It is hard to say you're investing in literacy when you cut such large amounts.

• (1705)

[English]

Hon. Monte Solberg: I would simply say that if you take \$17 million out and put \$1.3 billion back in and another \$3 billion in labour market agreements, you're still a long way ahead. We're making the argument that we're putting a lot of money into

programming, including literacy programming, that will leave people better off, and that's our goal.

The Chair: Thank you, Mr. Minister.

We're going to go to Mr. Cuzner and then we're going to finish off with Mr. Lake.

Mr. Rodger Cuzner: My question is really more specific. The New Horizons for Seniors program was never really expanded to take in a whole lot of... It says here, "for building and equipment upgrades". There weren't a lot of dollars. There were more program-specific dollars before.

Could you expand on the types of building or equipment upgrades that would be eligible here?

Hon. Monte Solberg: We have increased the funding overall from \$25 million to \$35 million. As I recall, \$10 million will be used for capital upgrades, so it would be a number of things. Things that make—

Mr. Rodger Cuzner: Accessibility.

Hon. Monte Solberg: Yes, accessibility-type things would be a major focus of that.

Mr. Rodger Cuzner: Are you looking to get into windows and doors? Are those components that score as well?

Hon. Monte Solberg: I can't tell you exactly all of it, but remember that we've also announced the enabling accessibility fund, which is \$45 million over three years, a chunk of which will be for small projects. That will also ensure that seniors and, really, anyone who has some kind of barrier will have a chance to apply for that funding and use it to help them make a church, or a school or something, more accessible. Now I'm saying things...maybe not a school, but buildings of different kinds, to make them more accessible.

Mr. Rodger Cuzner: So what types of building upgrades would this apply to?

Hon. Monte Solberg: I'd have to get back to you with the particulars, Rodger, on that.

The Chair: I'd be interested in seeing that.

Hon. Monte Solberg: Yes, sure. Absolutely.

Mr. Chairman, may I correct the record too? I made a mistake earlier and I wouldn't want the committee to think I was spreading misinformation. I told my friend from the NDP that the WITB was in place. It's before the House right now. It was announced in the budget; it's before the House right now in the budget implementation act and hopefully it will be in place for the 2008 year.

An hon. member: [Inaudible—Editor]

Hon. Monte Solberg: No, it's not. It's in the budget implementation act.

The Chair: Thank you.

We're going to finish off with Mr. Lake.

Mr. Mike Lake: Thank you, Mr. Chair.

One of the things we haven't really talked about today, and I'm kind of surprised about it, is child care. In the last election it was a pretty important issue. I think in the next election it will be very clear that there are two very different ideologies when it comes to families and child care in this country. There's the Liberal-NDP-Bloc view that the only option worth federal consideration is a universal, institutional, top-down, unionized, nine-to-five option. Of course, it has been mentioned that there would be a choice for families who want to opt out, but that option wouldn't be worthy of any federal support, for sure. Then there's the Conservative view that we favour equality of choice for families to make the best decision for their own circumstances.

I noticed some interesting quotes. Back in September, the *Times and Transcript* in Moncton wrote: "The former federal Liberal government was attempting to initiate a massive, universal daycare program that would have cost Canadian taxpayers billions, all on the basis of oft-heard claims by lobby groups that it was essential and would solve the problem of massive shortages, but that were based on dubious research and questionable facts."

Even, actually, the former Liberal Deputy Prime Minister, Sheila Copps, said the last agreement—that would be the Liberal agreement "saw some provinces rake in millions without creating a single new daycare space. The Liberal plan is a cash cow for governments while families are cash poor."

Then actually, the current finance critic for the Liberal Party back in 2000 made, I thought, a very good statement here. He said: "I am strongly opposed to any new national day care program with the cost running into the tens of billions of dollars. Given economic realities and competing demands on government resources, these are programs we cannot afford." That was back in 2000, and of course, I would note that this is completely inconsistent with Liberal support of Bill C-303.

I have three questions.

Generally, I'd like to know if you can tell me what action the Conservative government has taken to give Canadian parents real choice in child care?

Secondly, and a little bit more specifically, how much money has been transferred to the provinces to support creation of child care spaces? How many have been announced thus far?

The third question I had was regarding Bill C-303. Can you maybe explain to the committee why our government will not support this bill?

• (1710)

Hon. Monte Solberg: Obviously we ran on a very particular platform, as you've pointed out. The changes we've made, I think, are very popular. The universal child care benefit now goes to 1.5 million families on behalf of two million children, and it gives people options. It's a big country where people have very different situations and, frankly, different values. The idea, I think, of some flexibility is pretty welcomed by most people.

There is 250 million new dollars toward the provinces in support of early childhood development and space creation, bringing the

total transfers that we make to the provinces every year to \$1.1 billion.

I've talked to provincial ministers about this. They liked the idea of flexibility. We're working cooperatively with them, and so far, since we announced this in the spring, they've announced that they intend to create over 32,000 new spaces. So that's obviously very good news.

We've also put in place a business tax credit, which was part of the budget implementation act that just passed, so this will give businesses the opportunity to create spaces, working with the province to licence those, so that if people want to have child care at their business, that will be possible for them. A number of businesses have expressed some interest in this, so we're optimistic that it will work well.

With respect to Bill C-303, what can I say except that not a single province signed on to Bill C-303? I have to say I'm a little surprised at the Bloc for accepting the principle that the federal government has a role to play indirectly providing child care in the provinces, even if they did get an opt-out for Quebec. It's the principle that they accepted.

Again, I point out that not a single province got behind this, including the NDP provinces, I have to point out to my friend Tony. I think it's pretty clear that Quebec, for instance, has made this a priority. They have a universal system. That's their priority. Other provinces have different priorities. We should respect that and respect the Constitution.

Mr. Michael Savage: On a point of order, the minister points out that not a single province signed on to Bill C-303, but I'd like to enunciate that every province in Canada signed on to the previous Liberal child care plans.

Thank you, sir, to clear the records.

The Chair: Ms. Yelich, do you have a final question?

Mrs. Lynne Yelich: I think that—

The Chair: You respond to that, Minister, if you want to.

Go ahead, Ms. Yelich.

Mrs. Lynne Yelich: I only want to say to our colleagues across, I think that I share your enthusiasm about ASEP. I think it would be very helpful, perhaps, if we have companies come to committee and tell them the success stories about ASEP. And I don't think we do enough with sector councils. I think that's another success. I see we have invested more, and I think that's something this committee should be looking into.

However, that said, I would like to have the estimates. I'd like to move a motion to have the estimates approved.

The Chair: Okay. From the floor, is there any discussion?

HUMAN RESOURCES AND SKILLS DEVELOPMENT

Department

Vote 1a—Operating expenditures and authority to make recoverable expenditures on behalf of the Canada Pension Plan and the Employment Insurance Account and, pursuant to paragraph 29.1(2)(a) of the Financial Administration Act, authority to spend revenues received in the fiscal year arising from the provision of Public Access Programs Sector services to offset related expenditures incurred in the fiscal year, and the payment to each member of the Queen's Privy Council for Canada who is a Minister without Portfolio or a Minister of State who does not preside over a Ministry of State of a salary not to exceed the salary paid to Ministers of State who preside over Ministries of State under the Salaries Act, as adjusted pursuant to the Parliament of Canada Act and pro rata for any period of less than a year – To authorize the transfer of \$16,138,000 from Public Works and Government Services Vote 1, Appropriation Act No. 2, 2007-2008 for the purposes of this Vote..... \$1

Vote 5a —The grants listed in the Estimates and contributions – To authorize the transfer of \$36,777,706 from Human Resources and Skills Development Vote 1, and \$100,000 from Health Vote 40, Appropriation Act No. 2, 2007-2008 for the purposes of this Vote and to provide a further amount of.....\$51,131,433

CANADA MORTGAGE AND HOUSING CORPORATION

Department

Vote 15a —To reimburse Canada Mortgage and Housing Corporation for the amounts of loans forgiven, grants, contributions and expenditures made, and losses, costs and expenses incurred under the provisions of the National Housing Act or in respect of the exercise of powers or the carrying out of duties or functions conferred on the Corporation pursuant to the authority of any Act of Parliament of Canada other than the National Housing Act, in accordance with the Corporation's authority under the Canada Mortgage and Housing Corporation Act.....\$222,730,000

(Votes 1a, 5a, and 15a agreed to)

● (1715)

The Chair: Minister and colleagues, I want to thank you once again for taking the time out of your schedules to be here today. We appreciate all the time that was spent to be prepared for this today.

Have a great evening, and safe journeys on the snowy roads as you leave.

This meeting is adjourned.

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