



House of Commons
CANADA

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

HUMA • NUMBER 024 • 2nd SESSION • 40th PARLIAMENT

EVIDENCE

Tuesday, May 12, 2009

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Chair

Mr. Dean Allison

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• (0910)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): Pursuant to Standing Order 108(2), our study of the federal contribution to reducing poverty in Canada will commence. Here we are at our twenty-fourth meeting, in Moncton, which is the first of many meetings today.

I would like to extend to our guests a warm welcome. Thank you very much for taking time out of your busy day to come to talk to us about this very pressing issue.

I would like to give you a bit of context on where we've been. We've been studying this in Ottawa and we are now travelling out east. We were in Halifax yesterday, we are in Moncton today, and we will be in Montreal tomorrow. We thought it was important to get out into the community, on the ground, and hear what's going on, so we appreciate your taking the time to let us know what's working, what's not working, and what can be done better.

We're going to start with Johanne Perron.

Thank you very much for being here. If your presentation doesn't cover what your organization is doing, could you talk a little bit about that? You may cover it in the presentation. It would be great if we could all get a flavour for that.

You all have five minutes. After your presentations, there will be a couple of rounds of questioning lasting seven minutes and then five minutes. That's how part of our session is going to work here.

We'll start with you, Johanne. Thank you once again for being here. I realize that you are with the New Brunswick Coalition for Pay Equity. The floor is yours. You have five minutes; if you're over a little bit, we'll let you finish your thought. Don't worry; we won't cut you off, but as soon as the timer goes off, you should finish up your thoughts.

Mrs. Johanne Perron (Executive Director, New Brunswick Coalition for Pay Equity): Thank you.

The New Brunswick Coalition for Pay Equity is a non-profit organization. We're advocating for pay equity legislation in the public and private sectors. We are working mostly at the provincial level, but we are a member of the Pay Equity Network, which is a national organization. We represent over 600 New Brunswick individuals and 74 organizations.

First of all, I want to thank you for the opportunity to present our perspective on poverty issues. In this presentation, we want to make the connection between poverty reduction and the introduction of strong pay equity legislation for the public and private sectors, legislation that is proactive and rights-based.

Long-term solutions to poverty require a gender-based analysis and the removal of systemic barriers to women's equality. Pay equity legislation addresses one systemic barrier, and that's what I want to talk about. Pay equity is equal pay for work of equal value, and it's about recognizing the value of predominantly female work.

Now, a gender-based analysis of poverty would show that women are more likely to be poor. If they raise a family alone, their risk jumps. Other groups of women are disproportionately likely to experience poverty—unattached women under age 65, women with disabilities, and racialized and aboriginal women. In 2008, Canadian women earned 83.8% of men's hourly wages. For every dollar earned by an aboriginal woman, a non-aboriginal man earns about \$2.34. So a key reason why women are more likely to be living in poverty is that they are overrepresented in lower-wage areas that have been traditionally considered women's work.

The Canadian Research Institute for the Advancement of Women, CRIAW, has estimated that 70% of women in paid employment are concentrated in a few female-dominated sectors, such as health, teaching, clerical, sales, and services. Pay equity would allow for an evaluation of predominantly female work in terms of skills, responsibilities, working conditions, and efforts. This would allow for a fair and objective process of comparison with jobs traditionally done by men, in order to adjust compensation rates equitably.

Studies have shown that pay equity tends to have its strongest impact on lower-paid work. As such, it's a policy initiative that plays an important role not just in eliminating discrimination but in reducing poverty, for if you put money into the pockets of working poor, they will spend it on their families.

A number of researchers have pointed out that moving out of income assistance into paid work is often not a route out of poverty for women because of the low pay that is attached to traditionally female occupations, which they typically enter. Pay equity would act like a magnet to attract single mothers and other women on income assistance who want to enter or re-enter the workforce.

Clearly, pay equity contributes to poverty reduction. But, people might ask, what about the cost of implementing pay equity?

It was estimated in a 2004 study that removing the discrimination component of the gender wage gap in New Brunswick would result in an 11% increase in personal income tax collection, amounting to \$609 million for this province alone. Importantly, the federal Pay Equity Task Force, in 2004, drawing on available evidence from Ontario and Quebec, which have the equity legislation, concluded that most employers judge the effects of pay equity to be positive, providing them with an opportunity to strengthen their pay systems while also improving labour relations.

Canada is a signatory of the UN Convention on the Elimination of All Forms of Discrimination against Women, but we've been sharply criticized lately. Whereas Canada was ranked fourteenth in the world for equality between the sexes in 2004, the World Economic Forum dropped us to thirty-first place in its 2007 ranking of 130 countries.

• (0915)

So now we urge the federal government to remove one of the major systemic barriers to poverty reduction: wage discrimination.

That's the five minutes, is it? Okay.

Federal pay equity legislation would help to remove that systemic barrier. We totally support the task force that presented a report in 2004 on pay equity. They had a number of recommendations that I would like to highlight quickly.

We need to adopt a new pay equity law to extend the coverage to aboriginal people, people with disabilities, and visible minorities. We need to protect all employees, involve employees in pay equity plans, develop non-sexist evaluation methods, ensure that pay equity is not negotiable, sustain pay equity, and create a pay equity commission as well as a tribunal.

In conclusion, Canadian women represent about half of the paid labour force and receive 38% of the national income. The federal government can contribute to poverty reduction by using gender-based analysis and by reducing the systemic barriers to women's equality. One such way would be to adopt proactive pay equity legislation.

In closing, I want to say thanks to two of our volunteers who prepared these notes for the coalition, Gail Taylor and Lee Chalmers. They would have liked to be here, but they had engagements. They live outside Moncton, and I wanted to acknowledge their contribution.

The Chair: Thank you, Ms. Perron.

We're now going to move to Auréa Cormier, who is with the Common Front for Social Justice of New Brunswick.

Welcome. You have the floor for five minutes, please.

Ms. Auréa Cormier (Member of the Provincial Council, Common Front for Social Justice of New Brunswick): The Common Front for Social Justice is a coalition of about 30 organizations and has over 200 members.

I will present in French.

[*Translation*]

We applaud your committee's initiative because one of any government's important roles is to ensure the well-being of its population. During the last decade, Canada has had the largest increase in poverty among developed countries. In 1996, when the federal government cut transfers of funds to provinces for health and social services by close to 3 billion dollars, New Brunswick lost 115 million dollars annually. The federal government should restore the Canada Assistance Plan. New Brunswick would thus be reimbursed by the federal government for 50% of its social assistance costs.

Approximately 14% of New Brunswickers live below the poverty line. In May 2009, we had 33,274 social assistance recipients. Our social assistance rates are the lowest in the country. Furthermore, many of our workers are poor. Approximately 12% of them earn less than \$8 per hour.

We would like to make six recommendations to you.

1) Minimum wage. A person working full time should not have to live below the poverty line. We recommend that the federal government establish, for all federal jurisprudence, a living wage, indexed to the cost of living.

2) Employment insurance. Thousands of New Brunswickers have lost their job. We recommend: that the federal government modify the Employment Insurance Program so that workers are able to receive regular benefits after 360 hours of work, no matter where they live or work in Canada; benefits are increased to 60% of income, based on the best 12 weeks of the worker; the period for receiving employment insurance is increased to 50 weeks; the 2-week waiting period is abolished; and a part of the employment insurance surplus is used for training and labour adjustment programs.

3) Child care. In 2007, our licensed child care facilities could only have accommodated 14% of children aged 12 years or under. For a lone parent wishing to return to work, it is practically impossible to pay child care costs. We recommend that the federal government invest funds towards creating and maintaining a national, universally acceptable, quality child care and early education system.

4) Support for seniors. Approximately 7% of seniors live in poverty. This proportion is even higher in the case of single women. The Canada Pension Plan is not sufficient. It was designed to replace 25% of the average industrial wage. Today, it ought to represent 50% of the average industrial salary. CPP contributions should be gradually increased. The Old Age Security pension should be increased by 15% in order to lift seniors above the low income cut-off. We recommend that the Canada Pension Plan be gradually increased until it reaches 50% of the average industrial salary. We also recommend that the Old Age Security pension be increased by 15%.

5) Housing. In 2008, there were 4,200 people on the provincial waiting list for subsidized housing. To bridge the gap between the supply and demand of affordable housing, the federal government should invest more. We recommend that the federal government transfer to the provinces the funds necessary to meet the needs in the area of affordable, adequate housing.

6) Pay equity. In 2008, in New Brunswick, the wage gap between men and women was \$2.70 per hour, which feminizes poverty. We recommend the adoption of pay equity legislation for all sectors falling under federal jurisdiction.

In conclusion, I would like to quote Armine Yalnizyan, an economist, who stated that when public policy fails to balance the needs of the powerless against the appetite of the powerful, the promise of democracy is shaken. The ideal of a government of the people, by the people, for the people starts to look like government of the elite, by the elite, for the elite. Such a system may last for a time, but its days are numbered.

● (0920)

[English]

The Chair: That's perfect timing—very well done.

I'm going to move now to Steve Berubé.

You're with the United Church of Canada. Welcome. The floor is yours, sir.

Mr. Steve Berubé (Reverend, Chignecto Presbytery of the United Church of Canada): I want to thank the committee very much.

Looking at your biographies online, I can see that you folks represent a tremendous amount in terms of what you've done in the communities. Obviously, that's why you've been elected by people like me: to serve our nation.

As a United Church minister, I should probably begin by asking for a moment of silence for the Vancouver Canucks, but we'll move on from there.

There are a number of people, including people like Auréa and Johanne, who have far more insight, as do many people who staff the Hill, into the issues of poverty, but my concern is more to speak to the issues of broader concern in terms of what faces you folks.

Martin Luther King once said, “Our lives begin to end the day we become silent about things that matter.” What matters more in this country than those living in poverty? To me, one of the basic issues that this group needs to deal with is that the elimination or reduction of poverty in Canada will only be achieved if—and only if—there's the political will to make it happen.

One of the things we seem to have lost sight of is that budgets are moral documents. In the budget, we can truly understand what the priorities are for the government. Policies can be effective only if there are sufficient budget allocations in the short and the medium term; if sufficient funds are not allocated, it's evidence that the program is not truly a priority.

One of the things I believe needs to happen in order to reduce or eliminate poverty in Canada is that there needs to be a strong social

vision, backed up by a variety of programs tackling a number of poverty issues.

If we look at this historically, we can see how FDR made such a tremendous impact during the Great Depression with his New Deal. We know the power of imagery and vision because of Churchill's leading of the world through the Second World War. Dwight Eisenhower had probably the greatest insight of any politician I've ever read, because of his experience both as supreme commander of allied forces in Europe and as president.

Competition for resources is an issue you folks have to deal with on a continuous basis. Eisenhower once said, “Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed.” Lyndon Baines Johnson, of course, introduced the idea of the “Great Society”. Through that program—and there are many segments of it still in place—Americans were able to deal with issues of extreme poverty, as well as racial injustice.

But words in and of themselves are meaningless unless they're backed up by strong government programs. All we need to do to see what happens if programs are not in place is examine our failure to achieve the millennium development goals and the goals for child poverty reduction within this nation.

Part of the reason for that, I believe, is supply-side economics. In the 1980s, there was a dramatic sea change with the election of Ronald Reagan. His belief was that if the rich became richer, the benefits would trickle down to the poor, and everyone would be better off.

If we look at the situation in Canada, over the last 30 years we have reached the position where now the wealthiest 20% of Canadian families own more than 70% of the nation's wealth. Meanwhile, the poorest 20% own 2%. The gap between rich and poor has grown dramatically over the last 30 years. Supply-side economics has also led to the reality that 17% of Canadian children are living in poverty, with the Canadian rate worse than those of 18 other OECD nations.

To me, the problem with supply-side economics is what it's based on. It's founded in greed. The deregulation of the financial industry, tax cuts, and flat taxes are really based on what is known as one of the seven deadly sins—greed.

● (0925)

In spite of what is advocated by business leaders and a decreasing number of economists, greed is not a positive force in society. Ultimately, greed is something that is immoral and should never be the driving force in our economy. “I like paying taxes,” Oliver Wendell Holmes once said. “With them I buy civilization.”

Inherent within this issue comes the most pressing question for Canadians and for Canadian politicians: do Canadian politicians have the moral fortitude to look the wealthiest Canadians in the eyes and say that they believe in a fairer and more equitable distribution of the wealth of our nation? Do Canadian politicians have the courage to look at business leaders and say to them that they have a moral responsibility to carry their fair share of the tax burden for the nation? If the answer is no, then food banks and homeless shelters, the most visible signs of supply-side economics, will continue to be among our leading growth industries.

In conclusion, nations should not be judged on the size of their GDP or the number of millionaires who live there, nor should they be judged on military power. Rather, let our nation and every other nation be judged on how we treat the least and the last, the powerless and the voiceless, the homeless and the poor.

The Chair: Thank you very much, Steve.

We're going to start the first round now, with seven minutes for questions and answers. We're going to start with my colleague, Mr. Savage.

The floor is yours, sir.

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

Thanks to all of you for coming here today and for your presentations. They were very well done.

I am Mike Savage. I'm a Liberal member of Parliament from Nova Scotia, from the Halifax area, and I'm pleased, along with my colleagues, to be here in Moncton today.

I want to follow up on what Steve was saying. He quite correctly uses terms like moral fortitude, political will, courage, foresight, and competing interests, and this is really what it comes down to. I believe that Canada has in many ways abdicated its moral responsibility to assist those in need here in Canada and, for that matter, around the world. You mentioned the MDGs; I mean, we could do a lot more.

The bottom line is that we can do a lot of these things.

Aur a, you mentioned your recommendations. They're all very sensible. Each one of these things is something I can support. The issue for us is what to do if we're government. Imagine that you're the government. What do you prioritize? What do you do? Do you do them all?

Canada could do all of these things. I'm not sure what the cost would be to go to a minimum living wage, but on your recommendation 3, "investing funds into creating and maintaining a national universally accessible quality child care system", I would say an early learning and child care system, or early education. I see Jody Dallaire here, who has been one of the champions of child care not only here, but in Canada, and now is a municipal councillor in Dieppe as well.

We can do those things.

On the EI side, going to 360 hours of work makes sense. It would probably cost anywhere from \$500 million up, as the CCPA says. I

think Caledon says \$700 million. TD says a billion. To go to 60%, according to HRSDC numbers at last count, and according to Ms. Yalnizyan, whom you referenced, it's \$1.8 billion and rising every year.

As for going to 50 weeks, I don't know the cost of that. For the two-week waiting period, it's estimated to be about \$760 million, so you're looking at \$3 billion to \$4 billion. Now, keep in mind that it comes from the EI fund, and we've had surpluses for the last number of years.

My point is this: is Canada ready, in your view, to radically reform the way that we provide the social infrastructure of the country? A few weeks ago or a month ago, one of our political leaders mentioned in a forum that we may have to raise taxes at some point in time, and the outcry was immediate and consistent.

There's no question that we can afford these things. I'm going to ask you. Do you think there is political will in this country to do these things, knowing that it's going to mean, in all likelihood, that we will have to increase taxes?

• (0930)

Mr. Steve Berub : I tend to side with Oliver Wendell Holmes: I don't mind paying taxes because with them "I buy civilization".

The problem is that we've moved to a culture in which there is a focus just on tax cuts and the elimination of government services. Unless political leaders start talking about and bringing forward other voices, voices other than those interests that radically profess that the supply side is going to be the salvation for all of us, then no, there is no hope, not unless politicians do that.

All you have to do is look at the situation in the United States right now and listen to the leading economic voices. They no longer stand alongside supply-side economics. That's part of the reality we're facing. What has brought us here is the collapse of supply-side economics, which has led to a crash in the market that has cost something like \$3 trillion and has brought us back how many years... I believe it's over a decade in terms of market value.

Ms. Aur a Cormier: I agree with Steve. I think it's a question of priorities.

Mr. Michael Savage: Please use whatever language you like. Don't worry about us. We have the interpretation.

Ms. Aur a Cormier: That's okay. I'm comfortable in both.

I have listened to researchers who went to about 20 countries to ask consumers if they would be willing to pay more taxes. Surprisingly, the majority said yes, provided they knew that the money would be used to reduce poverty. If presented adequately and if managed adequately, I think taxes could be raised and used to bring more equality to income distribution.

As the Canadian Centre for Policy Alternatives said just a week or so ago, I think that maintaining income inequality is dangerous. It's not sustainable. I think long-range thinkers should really be aware of this.

Mr. Michael Savage: Do you want to say anything, Madam Perron?

[Translation]

Mrs. Johanne Perron: My colleagues provided a good explanation: it is about presenting a different message. If we ask people if they want their taxes to be reduced, they will obviously answer yes. However, if we talk about values that are more important for our society, for example equality and the elimination of discrimination, I believe we will get a different answer.

• (0935)

[English]

Mr. Michael Savage: I'm not sure if we are there; I certainly think that we need to get to a place where people are looking at poverty.

It is my view that people are looking at the cost of poverty as opposed to just the cost of fighting poverty and realizing that we're all in this together and more has to be done.

Ms. Auréa Cormier: Poverty has a tremendous economic cost. The major cost is health. People who are poor see the doctor maybe 40% more often, they are not as productive, and they are not bringing in as much earnings. Therefore, there is less tax revenue. To increase the budget for health and not do anything to relieve poverty is a very bad economic decision.

Mr. Michael Savage: New Brunswick is now undergoing some discussions for an anti-poverty strategy, as I understand it. Are any of you involved in that?

Ms. Auréa Cormier: Yes, very much so.

Mr. Michael Savage: Thank you.

I may come back to that later.

The Chair: Thank you, Mr. Savage.

We're now going to move to the Bloc and Madam Beaudin.

[Translation]

Mrs. Josée Beaudin (Saint-Lambert, BQ): Thank you very much, Mr. Chairman.

Thank you very much for being here.

Ms. Cormier, in your presentation, you talked about child care and pay equity. We see in the statistics for Moncton, for example, that there are many couples with two children, but also many single parents raising a child. Child care services are a problem for you.

Could you provide more information to us with regard to child care services in Moncton? What is the situation faced here by a parent or a couple wishing to access these services?

Ms. Auréa Cormier: My colleague, who is seated in the room, would be better able than me to answer your question.

Mrs. Josée Beaudin: Yes, that is true.

Ms. Auréa Cormier: What I can say is that there is a grave lack of child care services. Often, mothers who have a spouse tell me that as soon as they become pregnant, they put their child's name on a childcare waiting list, for fear of not being able to access quality service. Furthermore, the cost is relatively high: it is of around \$35 per day. Low wage earners are unable to afford such an amount, which can cause delays in the child's development and socialization. All of this fosters an awful lot of poverty, in the long term.

Mrs. Josée Beaudin: This leads me to my second question, which is probably more for Ms. Perron. Given that we are hoping for pay equity legislation, should we not start by creating spaces in daycare or early childhood centres, which would allow women to go to work?

Mrs. Johanne Perron: The reality is that many women are in the labour market but do not have access to formal childcare services. It is often a neighbour, an aunt or an uncle who offers the service.

I can speak of my own personal experience when I was in school. There were hardly any spaces for infants. Five different people came to mind my baby in my home, because something always came up: they would find a better job or they would hurt their back, etc. All of these problems made the situation very difficult.

Both things must go hand in hand. Both are necessary. There must be pay equity in order for jobs to pay women enough in order for them to have true financial independence. Child care services that truly fill the needs of parents and allow them to participate in the labour market without constantly worrying about what might be happening with their children are also necessary.

Employers under-estimate the cost of pay inequity. In areas such as daycare services or social services, where visiting homemakers offer in-home services to the elderly, for example, there is quite a high turnover rate. There are frequent staff changes when salaries are not high enough. If employers were to think a little bit more about the costs involved in constantly training new staff...

There also must be government involvement in order for high enough wages to be offered in certain sectors and services, such as childcare.

• (0940)

Mrs. Josée Beaudin: You consider that, in our study on reducing poverty, we should at the same time be giving priority to the issue of establishing childcare spaces and pay equity under the framework of non-negotiable pay equity legislation.

Among the measures you have outlined, and that are measures that we could tackle at the outset, to which measure should we give priority if our aim is to break the poverty cycle and have a positive impact? You talked about housing and early childhood centres.

Ms. Auréa Cormier: The six or seven points I mentioned are all important. I am trying to advocate for those people who are the poorest, who are at the bottom of the ladder.

I view the minimum wage issue as very important. I know that the federal government has no authority to legislate in this area provincially, but it could set an example. That might be an incentive.

If, in all those areas that are under federal jurisdiction, you had the courage to legislate with regard to minimum wage, that would have a domino effect. This is extremely important.

Then, there are the people who are in a difficult situation, especially here in New Brunswick, and receive employment insurance benefits. We have a lot of seasonal work and there have been numerous lay-offs, especially in the forestry industry. Given the present situation, if nothing changes, these people will have to rely on social assistance, and our rates are the worst in Canada — \$294 per month for an employable person. Those would be my priorities.

The next issue would be housing, because it eats up a good portion of people's income. There should be many more federal and provincial programs transferring major funding for coop housing, housing run by non-profit groups, in particular.

Mrs. Josée Beaudin: Has any housing been built over the last few years in New Brunswick? What types of housing are there, mainly?

Ms. Auréa Cormier: There have been several types, for example coop housing. As a matter of fact, a few buildings opened up very recently. Private non-profit corporations are also looking into this.

Mrs. Josée Beaudin: Thank you.

[English]

The Chair: Thank you very much.

We're going to move to Mr. Martin.

Sir, the floor is yours for seven minutes.

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

Thank you to the witnesses today for being here, for the work you do, and for sharing with us some of your thoughts. Certainly we've heard a number of very excellent suggestions here as to how we might lift people, starting with pay equity and national child care, and including housing and seniors. The list goes on and on. It's consistent with what we hear in other jurisdictions.

We just don't seem to be able to get to a place in Canada these days, though, where we actually have the political will, as has been suggested, to get even one of these done, never mind all of them. We saw in the most recent budget the taking away of the ability of women to go after pay equity. The removal of that was a regressive step, I believe.

It just indicates to you, though, the political wind that is blowing at the moment and that we need to get a handle on somehow. Of course, the response all the time is that "we can't afford to do that". We can afford to give, minimally, \$250 billion in tax relief to corporations and individuals who make very good money, but we can't afford even a percentage of that to deal with some of these issues that you've brought before us.

What we're trying to do in some part with this committee, and with some of the work we're doing around it, is change the wind and create the political atmosphere within which some of this can and will be done. I know that around this table we have some very good politicians who, by way of their participation and interaction in the discussions we've had so far, are indicating that they're certainly listening and who want to see if we can't come to a place where something can in fact be done.

I enjoyed some of your quotes, Steve. I often quote Martin Luther King. When he got the civil rights bill passed in the States, he then

wanted the right for black people to vote, but he was told that he had spent all of his political capital on the civil rights piece and would have to wait a long time for the next piece. He decided that he wasn't willing to wait.

He went out into the public square in Washington and saw a lot of people walking around with their fingers in the air. They were politicians trying to figure out which way the wind was blowing in order to determine how they would vote on any given piece of legislation.

He then determined that there were really probably three kinds of politicians, although we don't all fit into one easy category. There are politicians who will always do the right thing, politicians who, when given the proper argument, when you sit down and talk with them, will see the right thing to do. Then there is that larger group of politicians who are walking around with their fingers in the air. King determined that the best thing he could do would be to "change the wind", because then you get all of them. He started his movement. We know they're all history now.

How do we do that in Canada? I guess that's my question. How do we change the wind?

Are you connected? Churches across the country, particularly the United Church, have at their core a social justice mandate to lift people out of their own self-interest so that they can see the larger picture. There are anti-poverty groups and social justice groups.

Do you connect with people across the country and with women's groups? I know that the child care people do. I was at a wonderful gathering in Winnipeg a few years ago where they all gathered to join their energy and almost got a national child care program. That kind of fell by the wayside, but it's still there as a marker.

What do we do to change the wind?

• (0945)

Mr. Steve Berubé: One of the first things is to move the question from "who has their finger up in the air?" to the reality for some of our western friends who have seen the wind. It's really quite a nebulous sort of thing, isn't it?

Really, part of what has happened is that with 17-second responses to questions, you can't really develop any kind of momentum towards moving the country forward in terms of dealing with these issues. It has to be a much more sustained and prolonged conversation.

Also, the spin cycle has really killed political discourse within this nation. That is hugely unfortunate.

In part, it's your responsibility to start to shift the wind, where people visualize the wind. It's only when we're presented with strong moral arguments that people will begin to change their perspective from one of their own self-interest to one of national interest. We've seen that time and time again throughout history.

That's why I went back to quotes from people like FDR, Churchill, Johnson, and Kennedy. Even in Canada, we talk about a "just society" still; at least in eastern Canada, we talk about a just society. I know they talk about a national energy program out west and that's how that particular individual is remembered.

But I think it's up to you folks. You are the leaders of our nation. Unless you shift the political discourse.... We can do what we can on the ground and in conversation with individuals and with groups, but really, the responsibility lies at your feet.

● (0950)

Ms. Auréa Cormier: I believe that politicians are elected to manage the common good, but what is sad is that it's not what they're always doing. As activists, we spend so much energy trying to convince the people, because we know they will move only if the people are in agreement with some of the suggestions we're making.

In a way, it's not normal for citizens like us to be spending all of our energy trying to move public opinion toward what really represents the common good. Unless that happens, I think, nothing will change, unless the population, or at least a good portion of the population, backs this shift toward reducing poverty.

The Chair: Thanks, Tony.

We're now going to move to the last questioner of this first round.

Mr. Komarnicki, sir, you have seven minutes.

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): Thank you.

There's no question about it: there's a lot of hot air in Ottawa, that's for sure, and there are many politicians blowing in the wind, so to speak.

Voices: Oh, oh!

Mr. Ed Komarnicki: But the reality is that we all have a common interest, and I think it's fair to say that the objective is to help those who most need help, the most vulnerable.

When I hear you advocating, I agree there's room for improvement, regardless of your political stripe, but the question is, how do you tackle it? Where do you put your resources and funds? You try to balance the various interests and that's not always as easy as it seems.

You can say that we can tax and spend, and I know my learned colleague Mr. Savage was sort of tending towards that direction. His leader said that we will have to raise taxes. I have some issue with that, because I think it's more to do with spending priorities. For those who pay taxes, the idea of more tax is not too palatable.

But I think there's one thing we ought not to do—and I know it happened under the Liberal Martin government—and that is to cut \$25-billion worth of transfers to the provinces in the Canada social transfer. What that does is balance the federal books. Anybody can balance the books by cutting spending or increasing taxes, but you have to be careful what you do. When transfers to the provinces were cut, I think the most vulnerable took the hit, not those who are "haves".

My view is that we need to preserve the Canada social transfer increases and I know we have. For instance, the Canada social transfer is rising from \$2.4 billion to \$3.2 billion in 2008-09 and increasing thereafter. Some of the challenges when you transfer funds over to the provinces are in what they do with it. We've received some comments about the fact that perhaps there should be more conditions put on the transfers in order to direct where that money goes. I'll want to hear from you with respect to whether that is something we should do.

The other statement that Mr. Berubé made was with respect to the budget being a moral statement. I think there's some truth to that, so I've just kind of reviewed what we've done over the last little while. We have \$2 billion that we've allocated towards housing and renovating existing social housing. It included \$400 million for the seniors and \$75 million for the disabled. I think that's pretty good.

I looked at our employment insurance. My colleague was talking about a cost of \$400 million or \$500 million, but what we have done on unemployment insurance—or employment insurance, whatever you want to call it—is inject \$4.5 billion into the economy through (a) not increasing premiums, with benefits increasing, and (b) by doing something very specific.

For example, we increased the amount you can get in EI by five weeks. That cost \$1.1 billion. Also, we have training for those who don't qualify for EI, for \$500 million. For those who are long-tenured, there's another \$500 million. There's also a work-sharing program for \$200 million. If you add all those up, they're at about \$3.4 billion.

You may say, "Well, you need to do more." I can accept that. But these are targeted, I think, to those who are most vulnerable. When you look at our overall spending program, it's headed in that direction.

I know you would like to see the two-week waiting period done away with and a reduction in the number of hours to 360, which would mean working about two and a quarter months before you qualify. The question is, though, is that the best place to put your money or is there somewhere else? I look at what we're doing for students, for instance, in increasing significantly the amount of education. I think from a moral standpoint we've done some significant things in the budget. There's more work to do, and I'll accept that.

First, I want to hear about the Canada social transfer. Then, with respect to pay equity, I know that's also a subject of some significant debate.

I'd like to ask Ms. Perron, perhaps, about whether she feels there's any place there for the unions to play when they're negotiating contracts with respect to making sure it's addressed at that level. I know that the other alternative is to have it addressed at the court level, but that's litigious and it takes years. Secondly, you said that maybe we should do it by legislation. If that's true, what's the cost of that, and should it be done all at one time because it's a social justice issue, or should it be progressive?

● (0955)

I'll leave those two questions.

Perhaps Steve can start with the Canada social transfer and then we'll go to Ms. Perron on the other question.

Mr. Steve Berubé: First of all, you need to know that I believe in miracles. Therefore, I'm praying for a conversion away from supply-side economics. I don't expect that's going to happen.

Mr. Ed Komarnicki: It's helpful if you're a pastor.

Mr. Steve Berubé: It is, isn't it?

One of the questions is, how do you eat an elephant? The answer, of course, is "one bite at a time". You talk about the significant increases in a variety of areas. How much was taken out of the economy, out of the federal revenue income, by the two-point decrease in HST? I know that I really appreciate that whenever I go to Tim Hortons. It makes a huge difference for me: the cost of coffee is down from \$1.75 to about \$1.72.

That's part of the reality: we need to examine where it is that we're taking money out of, and not only out of the hands of the provinces with the changes to the CST, but also how we have effectively reduced not only taxes at the HST level, but also, if you look at what has happened in terms of business taxation, if you look at how flattening the tax brackets—

Mr. Ed Komarnicki: But my question was specific to the Canada social transfer and whether you think there should be conditions imposed on how that money is spent. Or should we just allow the transfers to go as they have in the past, in sort of a general way, without specific conditions as to where the money should be spent?

Mr. Steve Berubé: Oh, I heard your question.

Mr. Ed Komarnicki: I'm looking for an answer.

Voices: Oh, oh!

Mr. Ed Komarnicki: Or at least—

Mr. Steve Berubé: That's really a point to be negotiated with the provinces, isn't it? That's not within my bounds. What is within my bounds is to say as a citizen, "What is the priority is in terms of dealing with issues within this nation?" It's not how a program is executed between the federal and provincial governments. That's beyond my expertise.

The Chair: Could we have a quick response, Ms. Perron, on the pay equity question?

Mrs. Johanne Perron: Sure, but I still would like to say something about the transfers. I personally believe there should be some level of responsibility associated with the transfers. If they are meant to do something, there should be conditions to make sure that those things are happening. If there's money transferred for child care, for instance, I would like to see conditions, to make sure that we have the same level of standards across the country. This is not the coalition's standpoint, necessarily, because we don't really have to discuss these kinds of issues, but personally, I think it would be important.

Moving on to pay equity, I believe unions have a role to play in participating in pay equity programs. They shouldn't have an option to get out of working towards pay equity, pay equity being a human right. On the other hand, I think the ultimate responsibility falls on the shoulders of the employers.

Really, it would be false to pretend that employees and employers have the same level of power. Being an employee, I think that would be great from my point of view, but the reality is that employers have the final say on what pay is, so really, the employer should be responsible for pay equity. That's even more important because not everybody is unionized, so if you're looking at pay equity for the public and private sectors, you really need to ensure that employees who are not unionized have access to pay equity.

Again, I want to emphasize that pay equity is a human right. It's been recognized internationally for decades now.

• (1000)

The Chair: Thank you very much.

We're now going to move to the second round, which will be five minutes.

I'm going to start with Mr. Savage.

Mr. Michael Savage: Thank you, Chair.

I'll resist the urge to respond to Ed's comments about the CST. We have our opportunity in the House of Commons to debate those things, which we do very calmly and rationally on occasion.

But I don't question his motivation in being serious about wanting to do something about poverty. I can't say that about all of his colleagues, or about all of my colleagues, for that matter, but this committee is trying to get some answers.

I'm intrigued and pleased by your continuing references to supply-side economics. I noted that one of its architects in the States, Jack Kemp, passed away recently. The Kemp-Roth bill of the 1970s led to Ronald Reagan and supply-side economics, the idea being that you sort of take government out of the way and let the rich do well, and then it will trickle down. That led not only to a collapse of social infrastructure but to huge deficits as well, which it was never supposed to do.

In fact, if you compare that model to the model of some of the Nordic countries or the more progressive countries that do invest in social infrastructure, they're doing well economically. They manage their budgets quite well and take care of their citizens in a way that we would probably do well to emulate.

On the EI piece, this graph from the Caledon Institute shows the percentage of men and women and then the overall average percentage of Canadians who are receiving employment insurance benefits. It's gone from a high of 83% in 1990 down to 43%. A lot of parties share the blame for that. The minister talks about 82%, which is a technically correct number, but it's a sort of manufactured, gerrymandered number which is meant to ignore the fact that so many people are systematically eliminated from qualifying for EI benefits.

My friend Dominic LeBlanc, who some of you would know, often talks about two people at the same plant who could be laid off together. One might live in Moncton and one might live somewhere else along the French Shore. One would qualify for benefits and one wouldn't. That basic inequity has to be fixed, so I think the 360-hour standard makes a lot of sense. Then you look at whether you do the two weeks or the five weeks or where you go on that.

I want to ask you something. Anybody who wants to can answer. A number of people are excluded from being full participants in the wealth of this nation. Two of the most notable groups are aboriginal Canadians and people with disabilities.

Last week, some of us had a chance to spend a day in a wheelchair for the Canadian Paraplegic Association. Tony and I did it, and perhaps some others here. It's an eye-opening experience and a tiny glimpse into what it's like. I wonder if any of you have thoughts or specific ideas for how we should have a social infrastructure that better protects, enhances, and provides opportunity of access to Canadians with disabilities.

Ms. Auréa Cormier: I'd like to comment on the disability question from the New Brunswick point of view. We have a lot of people who are severely handicapped, yet our province denies them that label. I don't know how this could be changed, but it's hurting tremendously people who are in dire need. I think we should address that at the provincial level. We've tried, and we're going through the poverty reduction plan trying to push for this.

I don't know if at the federal level you could sort of make it uniform as to what the criteria are to qualify a person as handicapped. New Brunswick should certainly be taken by the hand and led in this matter.

Mr. Michael Savage: Do you mean that they are by definition not considered to be persons with disabilities to qualify for—

Ms. Auréa Cormier: That's right. To be considered handicapped in New Brunswick, you have to be blind, deaf, mentally ill, or totally in a wheelchair. They're very, very strict. It's a three-person committee and there are no appeal processes. It really needs to be revamped.

• (1005)

Mr. Michael Savage: I'm not sure if I have time, but in terms of the New Brunswick anti-poverty strategy, could somebody just give us a sense of where you think that is headed?

Nova Scotia recently came out with theirs, and I think it was a little bit rushed, to be honest with you. It was a bit of an afterthought, but at least they're trying to do something. Newfoundland and Labrador have done some wonderful stuff. Quebec has always had good social infrastructure. Ontario has produced a good report. I just wonder where you think we're headed in New Brunswick.

Ms. Auréa Cormier: It's been in effect since October 16. We've had hearings in 14 regions in New Brunswick. There's been a lot of public participation. I do have a few questions.

The people who will be deciding what the strategy is, really, are chosen by politicians, so that kind of puts limitations on the level of changes that can be made. I think the most serious concern I have is that our finance minister, with quite striking tax reductions, has seriously decreased the amount of money coming into the provincial coffers. So in the upcoming years, with no money or very little money coming in, I don't know what can be done in terms of a poverty reduction strategy.

The Chair: Thank you.

We'll move to Mr. Lobb.

You have five minutes, sir.

Mr. Ben Lobb (Huron—Bruce, CPC): Thank you very much.

We've heard a lot of similar ideas put forward throughout our study, both yesterday in Halifax and today in Moncton. What I want to do, if we could, is just take one step back. A lot of the suggestions do address our most vulnerable.

Last spring, I was in Moncton for some business. The company I worked for has an office here. I have been told that Moncton is a good news story as far as job creation in eastern Canada is concerned. I just wondered if you'd give this committee a little bit of a perspective on what has taken place in the last 10 years as far as what has changed in job creation is concerned, particularly around Moncton. That's understanding full well that a lot of the suggestions you put forward address our most vulnerable.

However, to make that next step up, I just wondered if you would indulge us in that. Any of you are free to start.

Mr. Steve Berubé: Part of what's transpired in the Greater Moncton Area consists of two things, really. Infrastructure was brought into place in terms of telecommunications and that really allowed this city and this region to move forward. It was predominantly driven by investments from the telecommunications companies that more or less had a monopoly at the time. There was Aliant in this area, and it was also really pushed by Frank McKenna, whom I'm sure many of you are aware of.

I'm not from this area, but as somebody who's lived in a variety of regions in this country where there has been a tremendous amount of poverty, what really impressed me most about Moncton is how people pull together, on an individual basis and as a community, to try to bring about positive change. It's visible not just in the economic climate, but also in terms of a lot of social infrastructure that's developed within the community. There is a strong network of people who've really worked hard and have been very committed to moving this community forward.

Ms. Auréa Cormier: I think that Moncton is a success story. You're quite right. When all of the activity around rail crumble, with CN and so forth, there was a planned effort, a group effort, to rebound. This has really made a difference. I also think that being a bilingual city and having a strong university has done a lot for Moncton. It really is something to consider.

I know that there are activities for creating jobs for women who are not well off. Just recently, for example, the group called Support To Single Parents, Nancy Hartling's group, is championing a program. I believe it's funded by the federal government. It's trying to introduce women in lower economic areas back to work and is a very well-planned project. So that's something positive.

I think Moncton should be banking on its cultural assets, because we have a lot of culture in this city, both Acadian and anglophone. I think we should look for ways to develop that aspect of the tourism economy.

•(1010)

Mr. Ben Lobb: I appreciate your comments. In a way, I look at Moncton as a model. Again, I don't want to lose the point here about our most vulnerable and the need for housing and support programs for them, but once that step is taken, to really take off and flourish in the workforce, as I witnessed here.... As you mentioned, bilingualism is a huge attraction for a corporation. There's no doubt about that. There was also the reference to then Premier McKenna and his commitment to the IT infrastructure, which is a huge component of that as well.

The one interesting thing, which rang a bell here when I looked at the comments you made about training and labour, is that we had trouble filling some of our high-tech positions. I think that lends itself very well to some of the programs we've put into our economic action plan around training people who are already in the workforce to upgrade their skills. Also, to really hit back at employment equity for both males and females, it's really an IT economy in Moncton, as I see it. That was what our business was. It was a software company and they're very gender-neutral on pay equity. On programmers, project managers, program managers, it's very equal; it's not labourer employment.

That's why I was very excited to be coming out to Moncton to hear about this, because I know there are a lot of good things. There are some very serious issues, but there are a lot of ways to see the glass as half full.

Thank you.

The Chair: Thank you, Mr. Lobb.

We have one more questioner. We're going to finish up with Madam Beaudin.

You have five minutes, if you like.

[*Translation*]

Mrs. Josée Beaudin: Thank you, Mr. Chairman.

You indicated your desire to develop an anti-poverty strategy here in New Brunswick. It however seems that the government does not wish to move in the direction that the interested stakeholders and decision-makers would like to see it take. You even said that the study committee was somewhat premature. This concerns me because I would like you, the partners on the ground, to be present and to advise the government.

In Quebec, following massive engagement on the part of civil society, partners and organizations, the government, in 2002, brought in framework legislation in order to combat poverty. Since then, we have had early childhood centres that charge \$7 a day and family policies in more than 60 municipalities. Under these family policies, the partners meet with municipal and government officials to decide on their own policies within their municipality or community. We are working on measures relating to work-family balance. The minimum wage has just been increased to \$9 an hour. We have a pay equity act.

We have proof that these measures produce results. Indeed, the poverty rate has decreased in Quebec. In this regard, I believe that

what you have talked about might have a very concrete impact. However, I feel like telling you, as we have told your colleague, that it is much easier to give a kick in the pants to the player who is the closest to you. Without questioning the federal government's contribution, I believe there is a need to insist that the provincial government be present. It must also be stated that mobilization is essential. This fight must continue to be waged.

You talked about initiatives that have been successful in this province. Have any of them, which might serve as an inspiration, delivered results in the fight against poverty?

Ms. Auréa Cormier: At the Common Front for Social Justice of New Brunswick, we are proactive in this area. For example, last week, we gathered together between 12 and 15 non-profit organizations that truly believe that this poverty reduction plan must have teeth. We are awaiting all of their reactions in order to produce a document, which will be substantial. However, I know that we will have to expend an awful lot of energy. It is for us a little bit like trying to roll a rock up a hill.

•(1015)

Mrs. Josée Beaudin: Exactly.

And is there going to be someone on top of the hill to keep it from falling back down?

Ms. Auréa Cormier: I say congratulations to Quebec, which is so strong and so exemplary. As you are saying, there was such broad mobilization that the government could not ignore it. I believe New Brunswick still has a long way to go before reaching that level of mobilization. The task is enormous.

Mrs. Josée Beaudin: In 2005, a poll carried out in Quebec revealed that seven people out of ten are not in favour of tax cuts.

Mrs. Johanne Perron: Another thing we could learn from Quebec, with regard to this mobilization, is the fact that it recognizes the participation of civil society in social and economic policy development. That is not really the case here. The Common Front for Social Justice of New Brunswick's work is purely volunteer. Our budget is of \$5,000 a year. The situation is quite similar for women's groups. We are facing some difficulties at the present time because our advocacy work is no longer funded at the federal level. When it was, that was of tremendous assistance to us, given that in this province, rights advocacy groups obtain no funding. This element has considerably weakened civil society.

Mrs. Josée Beaudin: Thank you very much, Ms. Perron.

Thank you, Mr. Chairman.

[*English*]

The Chair: I just want to take this time to thank all of our witnesses for being here today.

We appreciate the fact that you are on the front lines and making things happen every day. Thank you for taking time out of your busy schedules to be here and to offer some suggestions as we look at this very important issue.

The meeting is adjourned.

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

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

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