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

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**EVIDENCE**

**Thursday, October 22, 2009**

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**Chair**

**Mr. Dean Allison**



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

Thursday, October 22, 2009

• (1535)

[English]

**The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)):** Pursuant to the order of reference of Tuesday, September 29, 2009, Bill C-50, An Act to amend the Employment Insurance Act and to increase benefits is what we're discussing today.

I want to thank all our witnesses, who on short notice have taken time out of their busy schedules to be here. We really appreciate that because we're sure you had to move some things around.

We're going to start with your testimony, and I'm going to start with Mr. Schumann and continue down the list, for seven minutes each. I'll give you a one-minute warning by waving my hand to give you an idea of the time left. For the information of those of you who haven't been here before, we'll then have two rounds of questions, a seven-minute round and then a five-minute round, and there may even be a few statements during those times as well.

We'll get started with Steve Schumann from the International Union of Operating Engineers.

Sir, the floor is yours for seven minutes.

**Mr. Steven Schumann (Director, Canadian Government Affairs, International Union of Operating Engineers, Local 793):** Thank you.

Good afternoon, and thank you for the opportunity to appear before the committee today to discuss and share some concerns around the bill.

My name is Steven Schumann. I am the government affairs director for the International Union of Operating Engineers, or IUOE, for short. We are a progressive and diversified trade union. We represent workers in a wide variety of occupational categories. Our members help to build Canada's infrastructure, and they are involved in the production of Canada's resources and the delivery of critical health care and community services. We have been in existence since 1896.

Currently in Canada we have over 45,000 members, with representation in every province and territory through our 20 locals. We also have eight state-of-the-art training centres that develop and deliver heavy equipment operator training and a wide range of construction safety courses catering to the present and future needs of the construction industry. Many of our training centres deliver the provincial training programs for our trades.

Construction workers represent the largest share of our membership, around 30,000 members. They operate tower and mobile cranes. They operate heavy machinery, like bulldozers, graders, and backhoes. They are the mechanics and surveyors who work on the construction sites. They are the first to a job site and the last to leave. They work for commercial construction companies and civil and industrial contractors. They build roads, bridges, schools, hospitals, pipelines, and oil refineries, just to name a few. Our members shape the infrastructure and the skylines of Canada.

We strongly believe it is important to work with our employers, other building trade unions, and all levels of government to ensure Canadians are provided with the best opportunities to work and provide for their families.

Since this legislation will provide additional benefits to many Canadians, including some of our members, we support Bill C-50 even though we have questions around the fairness of this legislation. More importantly, we believe there has been a missed opportunity to make real changes. The time spent on this legislation could have been spent overhauling and modernizing the system in a more global context rather than a singular approach.

Unfortunately, we believe this legislation shows there is a continued lack of understanding towards the construction sector. This government, like previous governments, believes that all sectors of our economy can be dealt with in a one-size-fits-all approach. This has been seen with other initiatives, like the agreement on internal trade that overlooked the construction sector in many ways. This singular approach does not work and it must stop, to ensure that Canada's construction sector can survive with the skilled people we require to get the jobs done.

While many workers in various sectors of our economy will be able to apply for these benefits, only a limited number of our members will meet the criteria of collecting less than 36 weeks of benefits in the past five years. The construction sector is a very unique industry; it is cyclical in nature, and activity often differs substantially from region to region. The industry ebbs and flows in cycles corresponding to the level of investment and the strength of the economy. These investments come from both the private sector and through public investment at all three levels of government.

The construction industry also often stays active at the beginning of a downturn in the economy as ongoing work continues to completion. In turn it lags behind recovery, as planning and preparation do not take place until investment is in place. This can be seen right now. There are many areas of the country that have stayed fairly busy through the early parts of 2009, but we forecast in 2010 and beyond that there may be a serious shortage of work in many of the same regions that are busy now. Construction jobs themselves are very unique. Every one of these jobs has an end date. It may be a week, a month, a year, but that job will end when the project ends.

These are not typical nine-to-five jobs. Our members work tirelessly. They work lots of overtime to ensure a job gets done and that it gets done on time. They also face many shortages of work. When the jobs end, our members go off to find new jobs. On a regular basis they will travel to a different part of the city or province they live in, or in some cases a different part of the country. This can create challenges for our workers. They are forced to relocate at their own cost, usually for short-term opportunities. This can leave them with a heavy financial burden, to say nothing of the impacts on their families.

Sometimes our members may find work right away, or it may take a few days, a week, or even six months or more; it all depends on the various factors that are well beyond their control. As a result, many of our members are forced to make several claims a year for EI benefits. This is the nature of the construction industry; this is what makes us so very different from other sectors of the economy.

● (1540)

Simply put, Bill C-50 does not take into account these variations of our work hours and work schedules; thus, many of our members are excluded from applying for these benefits. We estimate that several thousand of our members will be unable to apply. For example, in Quebec we believe that 80% of our local's membership, around 1,000 members, will not be able to access it; in B.C. it is around 20%, which is about 2,000 members; and in Ontario we are expecting the same numbers, if not higher.

These are members who have been working for 10, 15, 20 years and have been contributing fully to the employment insurance plan. They are now going to be treated differently from other Canadians because they don't have an opportunity to access these benefits.

Another concern we have, which Mr. Blakely will focus more on in his presentation, is the need for clarification around the impact this legislation will have on apprentices. Apprentices are essential, and they're the lifeline and future for our industry in particular. We need legislation that promotes and encourages apprentices to continue their schooling and training. If they are forced to leave their program and find another job, they're not coming back to construction to be an apprentice; we'll lose them forever.

We are already facing a significant skills shortage, and we need legislation to positively address this problem, not make it worse. We believe that Bill C-50 could have the unintended consequences of making this situation much worse by forcing people out of apprenticeship programs because they can't seek these benefits and they need to look for more work. As I said, Mr. Blakely will focus a bit more on that.

We also believe that more has to be done, sooner rather than later. We cannot just pass this legislation and forget about doing more reforms. We believe there are several small but significant measures that need to be done, not only to make employment insurance fair for everyone, but also to encourage people to seek other employment rather than collect EI and to address the skills shortage issue.

Some of these measures would include creating one national EI standard that makes sense and that is fair for all regions; enhancing the work share program, because many of our members on the stationary side really do support that; more support for training and re-training to address some of the impending skills shortage; providing a tax credit or income deductibility to employees in the construction sector who want to travel across the country to work; and monetary incentives for employers to maintain and hire more apprentices.

We believe that by taking these measures you will ensure Canada can better respond to the needs of a post-recession economy and we will have the skills and workers available to fill the jobs that become available.

We are more than willing to participate in broader consultations with the government and all parties to develop viable solutions that benefit not only the construction sector but all sectors of the economy.

Thank you for your time, and I look forward to your questions.

● (1545)

**The Chair:** Thank you, Mr. Schumann.

We're now going to move to Mr. Blakely, who is with the building and construction trades department, AFL-CIO, Canadian office.

Mr. Blakely, the floor is yours.

**Mr. Robert Blakely (Director, Canadian Affairs, Building and Construction Trades Department, AFL-CIO, Canadian Office):** Thank you, Mr. Chairman and members of the committee. I'd like to thank you very much for taking the extra day to hear witnesses.

My name is Bob Blakely. I'm the Canadian director of the building trades. The building trades are the unions that represent construction workers in this country, everyone from the operating engineers Mr. Schumann represents, to refrigeration workers, pipefitters, electricians, and millwrights. We represent 50-odd trades and nearly 500,000 people.

With me today is Mr. Christopher Smillie, who is the policy analyst in our office. I'm introducing him because his dad said that if his name got in Hansard he would buy him dinner.

There is an issue that I believe has a very serious impact, and it is very important to a significant number of our members.

Mr. Schumann talked about a number of things we might want to see in EI. We're disappointed that there isn't a rationalization of the eligibility zones and anything to deal with the qualification period, but the long and the short of it is that we are prepared to support the broad strokes of Bill C-50. We're prepared to support it because it will materially assist a number of our members who are currently unemployed.

A number of people are now unemployed simply because of the meltdown of the markets, and construction workers are the first people off the bus on the downside of the business cycle and the last to get on it. The extended benefits are something that...

There are a number of people who will be disadvantaged. We believe there is a strong possibility of an unintended consequence in respect of the application of extended benefits allowed under Bill C-50 for apprentices and those who are qualified within their trade but in the wording of the Employment Insurance Act are directed to programs to requalify either on new equipment or procedures.

Simply put, apprentices go to trade school. It is part of their work. In Ontario, a number of trades have a five-year apprenticeship: five periods of apprenticeship over five years, each of which extends for eight weeks. That's 40 weeks that they are in school. We expect them to go to school. They must go to school in order to qualify.

In Alberta, in the electrical, the instrumentation, or the refrigeration trades, it's three years at eight weeks and one year at 12 weeks. That's 40 weeks of training. These people are deemed by section 25 of the act to be unemployed and available for work, and there is no assistance in the definition of special benefits for them. It is entirely possible that apprentices who worked every hour they could for the last five years will be disentitled from the extended benefits because they got EI when they went to trade school.

It may seem that all you have to do is fish through the act to find a fix for this. Well, we tried very hard to talk to a significant number of people, in government, in opposition, and in the bureaucracy, and we ended up getting a number of people saying don't worry, be happy, and other people saying that maybe we are right and there is a possibility that something bad could happen.

I don't have a fix on the number of journeymen this could affect, but there are 400,000 apprentices in Canada, and 60% of them are in construction. They ought not to be disentitled because they went to trade school.

• (1550)

I am asking that with respect to the in-school portion of the training that people access EI to get—those are programs they are directed to by EI or that are approved by EI in accordance with the act—you not disentitle them either by a minor amendment in subsection 12(3) or by regulation. The negative impact of taking training and then finding out it disentitles you from getting EI for a significant period of years will work against what we're trying to do.

If you look at the demographics, construction, like many other industries, is a baby boom industry, with 70% of people being grey-hairs or no-hairs. They are going to retire shortly, and we need to replace them. This is the wrong time to discourage people from taking training.

We ask that you not lose sight of what could be an unintended consequence and make it clear that people who access training will not be disentitled from extended benefits in the event they become unemployed. After all, employment insurance is a contract of indemnity against a foreseeable event, that being losing your job.

I look forward to your questions.

Thank you very much for your patience in listening.

**The Chair:** Thank you, Mr. Blakely.

We're now going to move over to the Quebec Employers' Council. We have Yves-Thomas Dorval and Norma Kozhaya.

Welcome. Thank you for being here.

The floor is yours, for seven minutes.

[Translation]

**Mr. Yves-Thomas Dorval (President, Quebec Employers' Council):** Thank you, Mr. Chair, ladies and gentlemen.

[English]

First of all, thanks to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons of Persons with Disabilities for inviting us to deliver our remarks about the bill.

Because we represent employers and companies from the province of Quebec, I will deliver my remarks in French.

[Translation]

The Quebec Employers Council operates in regular partnership with other organizations throughout the country, and, in particular, with the Canadian Employers Council. As it is not a provincial branch of a Canada-wide organization, the Quebec Employers Council has a keen independent interest in federal matters that affect Quebec employers, specifically issues of labour, development, human resources and taxation.

Employment insurance and all other payroll-based employer-funded plans are closely followed by the Employers Council. That is especially the case for employment insurance as employers fund the majority of the cost of the plan: their contribution is 40% higher than that of the workers.

We spoke publicly on the matter last September when the proposed amendment to the bill was announced. We come here today in person to reiterate the concerns that we raised then and that still remain.

The Employers Council first and foremost prefers that all enhancements made as a result of the current economic situation remain temporary. In this regard, we are pleased that the government has heard us.

Costs close to \$1 billion, \$935 million to be precise, amount to a major change in the plan. It is expected that, under the current rules, in other words without the changes in Bill C-50, the expected increase in plan costs could vary from 35% to 70% by 2015, according to our estimates. It would be wise to seriously consider the terms of the enhanced funding schemes being studied by your committee.

First, because it is a cyclical enhancement, we believe that it should not be funded by the Insurance Fund, but rather by the government's general revenue. That was the case for the enhancements announced in the last federal budget, and the same rule should apply to these changes.

Second, social responsibility also involves fiscal responsibility. This is not an economic context where taxpayers can dig into their own pockets any deeper to fund new public expenditures. The government should therefore ensure that any amendments have a neutral effect on the cost borne by the public purse. In other words, employers say yes to improvements to the employment insurance plan on condition that these improvements are accompanied by savings or cost reductions elsewhere in the plan.

Third, and still on the issue of funding, the Quebec Employers Council reiterates that it is important for the government to restore fairness through a 50/50 employer-worker split to fund the costs of the plan.

This brings me to a final remark. The QEC is concerned about the government taking a piecemeal approach to changes to the employment insurance plan. As I mentioned in my introduction, Bill C-50 calls for changes in addition to those already announced in the most recent budget, changes amounting to close to \$4 billion. We are not against changing the plan. However, we believe that, in the future, every effort should be made to avoid making piecemeal changes and instead should make changes that take into account the concerns of all partners, and specifically those that I have just raised.

Thank you very much.

● (1555)

[English]

**The Chair:** Thank you, Mr. Dorval.

We're now going to start on my left, with the Liberals.

Go ahead, Mr. Savage. You have seven minutes, sir.

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

Thank you for coming. This is the last meeting we're going to have hearing witnesses on Bill C-50. It has been an interesting set of hearings that we've had. Normally when a bill comes forward you have people who come and say they support it, it makes sense, it's what's needed. You have others who come and say they don't support it and that it doesn't make sense. What we have on this bill is really two schools of thought: one, those who say it's a bad bill and it can't be supported; and others who say they don't like it, it doesn't do enough, but we'll take it and then move on to try to get other reforms. I don't think we've heard anybody, except perhaps the minister, suggest that this is the ideal solution to what EI needs right now. We have a bill here that is discriminatory, that is inadequate, that doesn't

cover enough people, and that doesn't go back enough months to deal with the circumstances we have.

Armine Yalnizyan was here earlier this week. I was looking at her testimony to the Senate committee. The Senate did a pre-hearing on this bill. When she appeared before the Senate she put it as well as I've heard it so far. She said these are unprecedented economic times and it is an economic tsunami; therefore, it is incumbent on the government to address everyone who has been swept by this wave of economic dislocation, not only those who have been cherry-picked to be the most deserving of help.

Those others who have not been long tenured and who have not used EI for the period specified also had no control over whether they would have a job. Those in the fishing industry, forestry, tourism, hospitality, agriculture, and large parts of the construction industry, through no fault of their own, have periods of unemployment when they need to go on the EI system. Nobody who I have seen in the last six months while EI has dominated the national political landscape has suggested that this is the best solution for what we need. We've heard all kinds of other things, but we haven't heard this. Yet we're in a position now where this is the solution before us. As I've said before, I don't think it's realistic to say, "You take what you can get and move on," because I don't think there is anything else.

At a suggested cost of \$935 million, this is almost the cost of what it would be to have a 360-hour national standard, which the Parliamentary Budget Officer pegged at less than \$1.2 billion, as an example.

So we're in a difficult position. This bill doesn't seem to make it. The chair said we sometimes have statements. I only have questions, but sometimes they're long. I want to ask you the question because a lot of people really aren't sure about the numbers either. We hear \$935 million we hear \$190,000. I'm not suggesting you should have the resources, but have any of you actually been able to look at those numbers and see if they make sense? We have to vote on this bill very soon.

I open that to anybody, if anybody has had a chance to do that.

● (1600)

**Mr. Robert Blakely:** Short answer: I wish I could give you the number, but I don't know. In the spring we lobbied really hard at our legislative conference and beyond for some reforms to the system. Clearly that's not going to happen, so you're left with asking, do you say to your members who could benefit from this, "Too bad, so sad, we're waiting for the perfect solution"? I guess the answer to that is no.

**Mr. Michael Savage:** It seems like putting meagre reasons to support a bill if you're sitting here looking at a government in this country that has an annual budget of somewhere around the \$250 billion range. When you take out all the stuff that's not really moveable, there's not a lot of discretionary money, particularly if a lot of it has gone on other measures. That's the situation we're in.

Monsieur Dorval, you mentioned that you believe the cost of this should be paid for out of the consolidated revenue fund, as were the changes in the January budget, the extra five weeks in training. I wonder if Mr. Blakely or Mr. Schumann have a view on that.

**Mr. Robert Blakely:** EI used to have \$55 billion in it. It disappeared, and I guess it was the discretionary spending of the last three governments of Canada. Where should the money come from? Maybe if the money went there, the money should come back.

**Mr. Michael Savage:** So it should come out of the consolidated revenue fund. I agree with that.

**Mr. Robert Blakely:** The only other place it can come from is the pockets of people through EI as premiums, and I don't know that that's necessarily fair.

**Mr. Steven Schumann:** I'd concur. We've talked to some of our members regarding this. They have such a...I want to say lack of faith in the system itself about what the value is, even when they make claims themselves. When we've asked them how best to approach it, they just shrug because they've lost faith in the system and how it works. I think until there is a major overhaul of the EI system, people are going to be skeptical about how it works, where the money's coming from, who's really paying for it.

**Mr. Michael Savage:** Right. As you know, the new CEIFB, the Canada Employment Insurance Financing Board, has only been given a \$2 billion fund to start with, which clearly is not going to be enough under any circumstance.

**Mr. Robert Blakely:** Nor is the ability of the board that was put in place to manage that: it has such a small window to recast the contribution rate.

**Mr. Michael Savage:** So the inevitable result of that is that payroll taxes are going to have to go up.

**Mr. Robert Blakely:** Yes.

**Mr. Michael Savage:** Mr. Dorval, is that your view?

[Translation]

**Mr. Yves-Thomas Dorval:** That is exactly right. One of our major concerns is the competitiveness of businesses that operate in Canada, and of course in Quebec, where we do business. Payroll taxes, in whatever form, or when related to various programs, undermine business competitiveness. I believe that, in Quebec, the majority of employers agree that there should be programs that provide for a safety net, and they are not opposed to making reasonable contributions. However, the bill cannot keep going up.

Our greatest concern, which I raised in our statement, is the possibility that the increase may reach 70% by 2015, in light of restrictions on the contributions from wages. As for employment insurance, we have noted that, in recent years, during times of economic growth, there is a decrease in the amount of benefits paid out. The main problem is that, given the current situation, the government is proposing a draconian increase to the benefits and a radical cut to the income—obviously, fewer salaries mean less revenue. It is also proposing an increase to certain components of the employment insurance program that are not benefits, which could easily lead to exorbitant increases.

This is why we are intervening, not just for the sake of saying “not in my back yard but in someone else's”. When we consider the entire

structure of employment insurance, we must make sure that ultimately, the effects are neutral. The government cannot overtax payroll any more. In fact, payroll taxes not only represent a cost to employers, they also represent salaries not paid to employees. All other things being equal, the entire payroll is also the employers' salary costs. The higher the payroll taxes, the lower the amount paid to employees in wages.

•(1605)

[English]

**The Chair:** Thank you, Mr. Savage.

We're now going to move to Mr. Lessard from the Bloc. You have seven minutes, sir.

[Translation]

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

I thank our witnesses for being here and sharing with us their opinions on this important Conservative bill, which, according to Mr. Layton, was demanded by the NDP.

We are even happier to hear you say that we should be trying to find out what it is in this bill that will make it of value. I am referring to the parameters which we feel are essential and that tie into the principles that you are championing yourselves. For example, the Employers Council of Quebec believes that this plan must go back to its original mission, which is to provide income to people who lose their jobs.

On that topic, here are my comments to you, Mr. Dorval. I am not the one making your strategic choices, but when you talk about how money should be used, I feel that you are not aiming at the right target. Currently, according to data used by the Department of Human Resources, 64% of unemployed people have no access to the plan. This does not address your concern, of course. But were those people excluded because there was not enough money in the fund? No, \$57 billion were used for other purposes, with only employers and employees contributing to the fund.

It seems as though you have given up the fight, and the will to see the order of things restored. If what you are saying is truly to be believed, I think that you should ask that the employees of the people you represent get access to employment insurance and that your money be used for that purpose. I would like to hear your comments on that.

**Mr. Yves-Thomas Dorval:** Thank you for your question. As I said, the most important thing is not only that employers and employees pay. I also want to repeat that employers pay 40% more than employees. I completely agree with you; in the past, money was grabbed in a way that seemed to us to be inappropriate and unfair.

Employment insurance, as its name indicates, is an insurance program. In certain circumstances, benefits are paid out as a result of a program or a regulation. It is up to the government to determine the insurance program's terms and conditions. These terms and conditions must depend on various factors. Any insurance program must take a number of components into account. We have no objection to the employment insurance program being reformed. We agree that it should be simplified and be less complex, but there is one condition. It must be financially neutral, which is to say that it must not make money from the contributions. That answers the first part of your question.

The second issue is the following. This is a temporary program intended to deal with a temporary situation, and the funding should come from general revenue and not from the program itself. In other words, there was a money grab in one particular situation, and we now find ourselves in another particular situation. So there should be a contribution from general revenue, which benefited from that grab. We agree with you in that regard.

Finally, various terms and conditions have been defined in the past, and for various reasons. We cannot take one single factor into account, the number of hours worked on one coast or the other, for example, without considering all the effects—we spoke about that during earlier conversations—in particular ensuring that we do not set up any disincentives to get back to work.

• (1610)

**Mr. Yves Lessard:** That is fine, we are in favour of that approach. It is an aspect that we will have to study.

Let us take it a step further. It seems to me that there is something contradictory in your statement. Perhaps it is just a question of perception. You say that the system should go back to its fundamental values, which is to say that it would insure as many people as possible. But, at the same time, you say that we have to decrease premiums or that the plan should be revenue-neutral.

Would it not be more appropriate to refund the money that was appropriated from the fund in order to improve the system? I would like a very quick comment from you on that, because I also have a question for Mr. Blakely.

**Mr. Yves-Thomas Dorval:** Actually, we did not say that premiums must be decreased. We said that they must have a neutral effect, which is to say that they should not increase the burden on payroll taxes. That is what we said first and foremost. If you are going to make changes and increase the components that cost something, you have to look at the components whose costs you can decrease so that the overall cost remains the same.

Then we must ensure that we do not create an unforeseen situation, that is to say, collateral damage or secondary effects. We must ensure that the net effect is an incentive to get back to work.

**Mr. Yves Lessard:** But you still do not say where the money to balance it all should come from.

Mr. Blakely, you are quite right, and we agree with you entirely; we have to take care of people with grey hair or those with no hair at all. But seriously, there is something I would like to understand. Your two organizations complement each other in terms of the people you represent. In Canada, you represent the interests of

sector-based employers groups, whereas Mr. Schumann defends the rights of workers.

You have a low profile in Quebec. I have to say that I do not know who you are, even though I have been heavily involved in labour relations for 40 years. In my opinion, your profile is low in Quebec because there are sectoral commissions there for every trade. I would like to hear your opinion on that.

[English]

**The Chair:** Mr. Blakely, he's over time, but I'm going to ask you to finish and answer the question.

**Mr. Robert Blakely:** I will. I think I can do so briefly.

[Translation]

I will speak in English, because my French is not good.

[English]

We are involved in Quebec. We are 28% of the Quebec construction industry. We represent those international unions that are found in Quebec, together with the FTQ, CSD, the Syndicat québécois, and the CSN. In terms of being sectoral, we think our industry is one that adds a lot to the country. We would like to see EI dealt with holistically. Like my friend—I come from a very different philosophical base than he does, but I think the system has to be looked at holistically or we're never going to get the answers we want.

[Translation]

**Mr. Yves Lessard:** Just an aside, if I may.

You know that the FTQ does not support the bill. So your Quebec wing does not agree with your position.

[English]

**Mr. Robert Blakely:** Sir, it doesn't.

**The Chair:** We'll have to get that debate the next time around. We're going to move to Mr. Godin, sir.

You have seven minutes.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Thank you, Mr. Chair, and welcome to all our witnesses.

Could you answer Monsieur Lessard's question?

**Mr. Robert Blakely:** I will. Our Quebec section does not belong to the FTQ. We stand apart from the FTQ, and we're a competitor of FTQ. In Quebec, the international construction unions stand with the position I put forth.

[Translation]

**Mr. Yvon Godin:** Everyone, be it the FTQ, your union or any other one, agrees that there is an economic crisis. Do you believe that the crisis is the same across the country and in Quebec?

• (1615)

[English]

**Mr. Robert Blakely:** No, sir, not even close. There are some provinces that suffer very significantly from this economic malaise. There are other provinces, Saskatchewan and Alberta, where people have been fat, dumb, and sassy for the last eight or ten years, and will continue to be for the foreseeable future.



It is certainly going to be a patchwork quilt. It depends on where you are. If you are in New Brunswick and at Canaport and a couple of jobs have just ended, construction will be doing fine. If you are in Nova Scotia or Newfoundland, it's less fine.

**Mr. Yvon Godin:** Mr. Blakely, you brought up the question about the training program. I think this is very interesting, and I hope the government is taking note of this here. I think that's what they should check, because on the training program you said they were supposed to be available to work. I don't think so. I think they are on phase two of EI, because when they are in trade school or community college, they don't have to look for a job because it's already accepted through the program.

They are going to be there for six or eight weeks, doing their program and not looking someplace else, and they are allowed to finish their program and go back to their job—it could be in a mine or anywhere—that belongs to them. That could be considered as a special.... We would like to see clarification from the government, and if you're right, then I think they have the power to make amendments to this Bill C-50 to look after the apprentices.

**Mr. Robert Blakely:** Mr. Godin, the difficulty is this. I agree that they don't have to look for work. Section 25 of the act deems people who are in the in-school portion to be unemployed and available for work. They don't have to look. They are deemed to be available for the benefit. They are not entitled to special benefits as set out by section 12, so you're left with the only other benefit they get, which is the regular benefit, and the wording of the extended section says that if you've had regular benefits, you're not entitled to the additional ones.

**Mr. Yvon Godin:** That's why I'm pleased that you brought it here, so that maybe they could come back with an amendment. I don't think it was the intent that the workers having the training would be punished by having the training to be on the job. They didn't lose their job.

They continue to have their training, as many have directly in the plan. They don't even go to the community college. They work for a company and the money is given directly to the company, for example, to pay for the training. It's not a punishment to better yourself to make sure your trade improves.

I think you were very clear. You were saying that it's not what you were looking for, but is there something for workers who have lost their job, as small as it could be, that we should vote for?

**Mr. Robert Blakely:** Honestly, it isn't what we want, but there are so many workers in our business and in other businesses who will benefit that I would ask you to vote for it.

**Mr. Yvon Godin:** For Mr. Savage of the Liberty Party, which made the big cut to employment insurance in 1996 when we had the big crisis in the fishery—and they didn't care about it at that time—it seems to be that because we're not giving it to everybody, then we should not give it to some people who have lost their jobs, even as little as it is. You don't agree with that statement?

**Mr. Robert Blakely:** I think we should get the most for the most on this thing that we can, and if there is an unintended consequence that could act against people who are taking training, then the unintended consequence should be ruled out by an amendment to the bill.

[Translation]

**Mr. Yvon Godin:** Mr. Dorval, you represent employers in Quebec, and I want your position to be clear. There is also an economic crisis in Quebec, and you are also affected by it. I believe that employers also care about the welfare of their employees. It is not easy to lay off a long-term employee because of the economic crisis. I am sure that you want better than that. I do not want to put words into your mouth, but I would like you to think about my question before answering.

Previous governments and the current one stole \$57 billion from the employment insurance fund and put the amount into general revenue. Certainly, that is where the money should come from. But some has already been taken, and there should be no more taxes. The federal government already has a \$57 billion surplus in its fund.

Do you want the employment insurance program to provide income for people who have lost their jobs in the economic crisis, or do you think that the province should assume that responsibility through its welfare programs?

• (1620)

**Mr. Yves-Thomas Dorval:** Thank you for your question.

Ultimately, there is only one tax payer. Unfortunately, in discussions with parliamentarians or government representatives, certain clients, certain groups, and so on, receive more attention. However, we like to keep a global perspective because, ultimately, someone is going to pay. The more our deficit grows, the more difficult it will be to grow the economy again.

We fought against the removal of the \$57 billion. Today, it is not realistic to think that \$57 billion dollars will magically appear in general revenues and fix the problems of the past. We are in a recession. If the government and Parliament, by way of legislation, are convinced that they must make investments, these should not be paid for by increased taxes on employers' payrolls.

Like the other provinces, Quebec is affected by the economic crisis, but in a different way. In this province, employers, unions and social groups sit down at the same table. The group is called the Commission des partenaires du marché du travail. We have developed a tight program. When a business in Quebec has to slow down its operations because of the recession, and, as a consequence, is forced to lay off employees, this program, which is mainly funded by employers under the 1% legislation in Quebec, provides financial support to train the employees and to save their jobs. This way, fewer people become unemployed. In addition, they receive training, so when the economy picks up again, both the employee and the employer are well equipped to respond. The program is a partnership between Quebec's unions and employers.

**Mr. Yvon Godin:** So should we vote for Bill C-50?

**Mr. Yves-Thomas Dorval:** At least the bill will only be valid for a limited period of time, but we still maintain that the funding should not come out of the employment insurance fund.

**Mr. Yvon Godin:** I would like to know whether we should vote for or against the bill.

**Mr. Yves-Thomas Dorval:** I would not want to take on that responsibility for you. But I still say that taxes on payroll should not increase because of this decision.

[English]

**The Chair:** Thank you very much. That's all the time we have.

We're going to move to Mr. Vellacott. Sir, you have seven minutes.

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC):** Thank you.

It's too bad Mr. Savage isn't here, because he's going to accuse me of having spoken in his absence with respect to some remarks he made. But I will, and he'll get it from the record here later.

He made some comments earlier, and he did at a point previously in the House today, and I think we need to get this out on the record. So through you, Mr. Chair, he was speaking about the 360. Just to get it on the record here, the cost for this bill is \$1 billion over three years. We need to also point out the fact that with respect to the 360, he got the Parliamentary Budget Officer to cost it, and that was in terms of special benefits and part-time workers being excluded. Yet his platform, the Liberal platform, released yesterday, actually said that special benefits and part-time workers should have a 360-hour standard as well. So the cost of that proposal really is about \$4 billion.

Mr. Savage is...misleading, I guess, to say it nicely or diplomatically, by saying something different in a different context.

But having got that on the record, and having corrected things in respect of that, I want to ask Mr. Schumann, off the top here, in terms of a clarification.... You spoke of certain workers who worked 10 to 15 years, but now they're not eligible with respect to this. There's something I wasn't catching there. I'm not sure if you meant 10 to 15 years but with periods of interruption along the way. Is that what you...?

• (1625)

**Mr. Steven Schumann:** Yes.

**Mr. Maurice Vellacott:** Okay. So it wasn't a continuous—

**Mr. Steven Schumann:** Correct.

**Mr. Maurice Vellacott:** Right, that they were excluded now. Okay?

**Mr. Steven Schumann:** Correct.

**Mr. Maurice Vellacott:** Good. So in other words, they had periods of collecting EI over that 10 to 15....

You also had some suggestions that I found to be of interest. They seemed like constructive, well-meant proposals. Were they to be inserted in this bill, or were they meant more generally, in terms of a revamp of the EI system, period? Is that what your intent was?

**Mr. Steven Schumann:** Yes. Obviously this bill is focusing on the single issue of these benefits. If this could be included, fantastic. But I understand the focus and the necessity to get this bill passed.

I would like to see the government or this committee immediately look up more reforms, which would include what we've tabled here today. I think these are very small steps that could actually go a very long way.

**Mr. Maurice Vellacott:** Thank you.

I just have a couple of quick questions for Mr. Blakely, to be fair to all of our presenters at the table.

Mr. Blakely, I think you kind of inferred some things. But are you supportive of the extra five weeks and the training measures and so on that were put forward at a point earlier?

**Mr. Robert Blakely:** The five weeks that came with the budget?

**Mr. Maurice Vellacott:** That's right.

**Mr. Robert Blakely:** Yes, we supported that.

You know, we're a lot of things, but we're not ingrates. If someone gives us something that does something good for our members, we generally say thank you and we don't try to kick anybody who's done us a favour. So we were happy.

**Mr. Maurice Vellacott:** And the training measures were of some benefit, as far as you were concerned, as well?

**Mr. Robert Blakely:** Yes. The training provisions we found to be useful. I'd be a fibber if I didn't say, "Look, we want more in that respect. We'd like better support for our apprentices. We'd like better support for people on EI for retraining." But what has come to us we're grateful for.

**Mr. Maurice Vellacott:** Yes, you bet, and I appreciate that. Insofar as that goes, it was good. There were good things done.

There was another thing I was going to ask, too, because I think it's sometimes good to get total context and a lead-up to where we're at now, and this is addressed to specific problems in the recession period with a specific bill. I think we all know and honestly accept that it's not meant to deal with everything all in one shot here.

The other thing I should ask Mr. Blakely very quickly, then, is in terms of getting context here and in terms of the training measures, those types of things. About the earlier dollars for those who are in apprentice programs for the first year, at completion, the tool credit, are you hearing from people within, from workers? I'm just curious, because I have conversations, but I'm obviously.... You have a whole span across the piece. Are people pleased with those attempts and efforts to help in those ways?

**Mr. Robert Blakely:** The short answer is yes. In terms of EI in the elimination period, essentially, people getting it right away, yes, people are pleased with that. And in terms of the general support for apprentices, through both the apprenticeship incentive grant and the completion bonuses, yes.

**Mr. Maurice Vellacott:** Thank you.

**Mr. Robert Blakely:** It treats apprentices more like the secondary school students they are. At one time, the only people who got any support from the Government of Canada or any other government were people who went to university. Our people don't go to university, but they contribute as much to society as does any PhD.

**Mr. Maurice Vellacott:** Absolutely, yes, certainly, and the red seal trades—I think a lot of that was obviously worked out with those people, those various individuals there, and it wasn't done in a vacuum; it was in consultation with you and other folks through those different trades there.

The work share thing has been commented on, too. Generally speaking, nothing's perfect. This bill is specifically addressed to a particular problem, but I think, Steven, you made a comment that work sharing has been a helpful thing—Robert, Yves as well, in the province of Quebec? The work share thing is being appreciated in Quebec, is it, so far?

**Ms. Norma Kozhaya (Director of Research and Chief Economist, Conseil du patronat du Québec):** *Travail partagé.*

**Mr. Maurice Vellacott:** Mr. Dorval or Norma?

[Translation]

**Ms. Norma Kozhaya:** The job-sharing program is much appreciated. It actually helps some companies to keep their employees.

[English]

**Mr. Maurice Vellacott:** And it's helping retain people, and so on, there. *Oui, merci.*

I have a question, then, for either Ms. Kozhaya or Mr. Dorval.

Getting right to the heart of this other thing, because this has come up, the 360-hour, 45-day work year, I guess my question would be, as an employee-represented group, do you support an equalizing, or, as we term it, a 45-day work year? Is that something your employers in the province of Quebec comment on, with respect to a 45-day work year?

● (1630)

[Translation]

**Ms. Norma Kozhaya:** Once again, the basic issue is the potential cost to the system. Some studies show that the cost will be substantial.

Besides, as Mr. Dorval said, incentives to work must be taken into consideration. Before the recession, we heard a lot about a shortage of labour, about the need to find more workers and about the aging population. I am sure that the same problems will arise again after the recession. Let us hope that that will be very soon.

These considerations are very important to us. From our point of view, if we raise the issue of the 360 hours or of standard hours, it must be done in a debate that takes all the data and the entire demographic and economic situation of Canada into consideration.

[English]

**The Chair:** Thank you very much.

Thank you, Mr. Vellacott.

We're now going to move to our second round, which will be five minutes. We're going to start back over at the Liberals again.

Madame Folco.

[Translation]

**Ms. Raymonde Folco (Laval—Les Îles, Lib.):** Thank you, Mr. Chair.

Although it is a bit late to do this, I would also like to welcome you. You almost did not get invited. I want to thank you for agreeing to come here and testify today on such short notice. I also want to thank my colleague, Mr. Lessard, who took the initiative to ask that the work be delayed by one day, which is not very much.

I support what my colleague, Mr. Savage, said about the comments that we have heard from the witnesses since we began this study. Everyone says that this bill is better than nothing. Some tell us that they can accept it, but perhaps that is only because they have no alternatives in front of them. Like many others, I find it difficult to accept that the Canadian government is offering so little to the Canadian people, and specifically to people who are unemployed.

I have here a table from Statistics Canada that shows that, for Quebec, from January to July 2009, 70.8% of employment insurance applications were accepted. This means that 29% of Quebec applicants did not receive benefits. Even worse, in the Atlantic provinces, the highest rate was 69.4% and the lowest was 59%. Put another way, almost one half of all those who applied for employment insurance in Prince Edward Island could not get benefits. As I said, these figures come from Statistics Canada.

A few days ago, I asked a question about women and the fact that they are hit very hard by this situation. They confirmed that this was the case, because of the temporary or part-time jobs that they have, but they also told me that young people were hit much harder. Now Mr. Blakely says that, in the programs he manages, he can see that young people are indeed hit very hard.

I know that you went into this issue at length, but it is extremely important. Could you, or some of the other people who were invited to testify today, suggest concrete ways of amending this bill? Young people who are not truly unemployed have grabbed the lifebelt that they thought they were getting from the government, but the lifebelt is dragging them down into the water instead of bringing them back to the surface.

[English]

**Mr. Robert Blakely:** It would be as simple as amending the deeming provision in section 25 to say that if you are taking training, it doesn't disentitle you from the extended benefits, or from the extended benefits section, which I understand to be subsection 12(3).

● (1635)

[Translation]

**Ms. Raymonde Folco:** Thank you.

Ms. Kozhaya, you are a statistician and you do a great deal of juggling with figures. I truly admire you. I do not have that gift. I wondered if you could share with us some more concrete figures on young people and women. I have had a hard time finding any. All those whom I asked were not able to give me any. I do not necessarily want firm figures. Perhaps you can give me an approximate idea, if that is all you can do.

**Ms. Norma Kozhaya:** Are you referring to figures on youth and women?

**Ms. Raymonde Folco:** Yes; those whose status would not be improved by the bill we are studying today.

**Ms. Norma Kozhaya:** Well, the current situation has really had an impact on youth. We have talked at great length about the increase in youth unemployment. When things are going poorly, the last in are often the first out. People with the least experience and seniority in the company will perhaps be the first ones to be laid off.

As far as women are concerned, unfortunately, I do not have any other figures.

**Ms. Raymonde Folco:** I can see that my time is going by quickly, Ms. Kozhaya. Pardon me, but I am going to have to interrupt you.

Since you did not know that we were going to be asking you these questions, I wonder if you could provide the chair and the clerk with figures pertaining to youth and women in Canada who have applied for employment insurance benefits, but who would not be affected by the new measures put forward by the government in Bill C-50.

**Ms. Norma Kozhaya:** Yes, I will do my best.

**Ms. Raymonde Folco:** Thank you very much.

[English]

**The Chair:** Thank you very much.

We're now going to move over to Mr. Lobb. The floor is yours for five minutes, sir.

**Mr. Ben Lobb (Huron—Bruce, CPC):** Thank you, Chair.

Thank you, guests, for coming today and providing your testimony. It's definitely appreciated.

It's important to note, and I mentioned this at our last meeting, that this is an amendment to an act. We've heard others from the Liberal Party and the Bloc talk about reform, and it's certainly an amendment to an act. The amendment will help 190,000 unemployed workers. That's a lot of Canadians who need help and who have paid into employment insurance for many years, and hopefully this will help them.

They've talked much about who they'd like to help and what they'd like to help, but their voting actions indicate they want to help nobody. They voted against this act. They had a choice to help 190,000 and they chose to help zero, and that's really unfortunate.

I wonder if you could give me a comment, Mr. Blakely, or if you could provide some insight about some recent changes to the Canada Employment Insurance Financing Board. There are really two thoughts here. One is a system set up that generates excesses that go to Liberal slush funds or one that balances its books. I prefer the latter. I wonder which one you prefer.

**Mr. Robert Blakely:** We made quite detailed submissions in respect of the new funding board. We were opposed to it in a number of respects, one of which concerns the people who are on the board. Probably no one there will ever be unemployed or ever know what it's like to have to file for poge. We thought that probably was a disincentive.

We didn't like how the board was structured and its ability to throttle—

**Mr. Ben Lobb:** Specifically, though, it's mainly to balance revenues to expenses.

**Mr. Robert Blakely:** Well, that's its statutory mandate. They have to balance the books. If they run out of money they can go and borrow from the people of Canada. If they don't have enough they can throttle the cost of the payroll tax slightly, within bounds. We thought that wasn't adequate.

**Mr. Ben Lobb:** Okay.

Mr. Schumann, there have been billions of dollars allocated that are at work today as infrastructure dollars building Canada, in infrastructure stimulus funding, etc. Can you comment on what that has done for some of the people you represent?

**Mr. Steven Schumann:** Obviously, where the money has flowed, in some of these projects our workers have had their fair share. Remember, on the construction side we represent the unionized side, with 500,000 members. There are also non-union jobs and everything, so of course when a project comes out there is a competition among the contractors to get it, and if it's a union contractor who wins that contract, yes, our guys get to reap the rewards and work on it.

But the question is, how much of this money has come out? We've talked to many of our business managers about the stimulus funding, and they hear about the money rolling out. There are questions there, to be honest. In some areas we've seen more come out on certain projects, and in some of the other areas it hasn't. Particularly in British Columbia, our union hasn't seen the money because it's gone to one of the organizations out there called CLAC, which is the Christian Labour Association of Canada. So we have not seen the money in that sense out there.

So when some money flows, there is competition, but it's very hard to give you a proper sense of how many of our contractors have actually got the work and have done the jobs.

● (1640)

**Mr. Ben Lobb:** Mr. Blakely, are there any thoughts or comments from your organization on the red seal program insofar as the grants for completion of apprenticeships? I have two or three cousins who are currently involved in apprenticeship programs, and they're young, ambitious people. In my opinion, this is an incentive to complete the project they undertook. What is your position on that?

**Mr. Robert Blakely:** My take? Under the previous Liberal government there were some incentives to apprentices; we welcomed those. The first set of incentives that the current government put out for apprenticeship, we welcomed those. The second set, the apprenticeship completion grants, we welcome those. They help get people through their training.

Most people who are apprentices aren't dewy-eyed and 19 years old. The average age of an apprentice is 28. They usually have a family, and getting the \$1,000 or \$2,000 for completing is something that helps them get through, so we're grateful for that.

**The Chair:** Thanks, Ben.

We're now going to move over to the Bloc. We have Madame Beaudin for five minutes.

[Translation]

**Mrs. Josée Beaudin (Saint-Lambert, BQ):** Thank you very much, Mr. Chair. Thank you, guests, for being here today.

I have a dozen questions that I would like to ask you, but I have very little time. I have heard what you said and I have heard a number of other witnesses before you. The problem with this bill is not only that it is not perfect, but that it is fundamentally unfair. It is discriminatory because it creates two categories of unemployed people. This breaks down the solidarity among the unemployed, at times, even within the same company. This week, we heard from witnesses who told us that. In the same company, you can have workers who will be eligible and others who will not. That is where the problem lies.

We also talk about a scarcity of resources. Many witnesses have told us to accept this bill and hope to get something else later on, such as eligibility once you have worked 360 hours, the extension of weeks per year, and so on. We have doubts about that, first of all because there is very little money, and secondly, we doubt that anything else will happen. We would like to have seen a much more comprehensive and complete reform. This reform is unfair, because more than 50% of workers will not be eligible.

Mr. Blakely, you said a little earlier that you were hoping to amend this bill so that trade apprentices would be eligible. We would also like to amend it to include all seasonal workers and workers in unstable job situations.

Would you vote in favour of Bill C-50 if it were not amended to include your requirements?

[English]

**Mr. Robert Blakely:** If you look at our business, the business of construction, we have people who will be on a claim, but then they'll go to work. When they go to work, frequently they work 10 or 12 hours a day, 7 days a week, until the job is done, and they move on to the next job. Generally speaking, most construction workers who claim EI end up paying the money back at tax time.

**A voice:** Thirty percent.

**Mr. Robert Blakely:** Yes. They pay it back, and they pay it back at the highest rate.

If you look at the extended benefit for some of those people, they're not going to be able to even get the extended benefit if they're

unfortunate enough to run through their claim, simply because they've had regular benefits paid over the course of the previous five years and those may have come to more than 36 weeks, even though they've worked well over 2,000 hours in every year.

Systemic—

• (1645)

[Translation]

**Mrs. Josée Beaudin:** So you would like them to have access to the measures contained in Bill C-50.

[English]

**Mr. Robert Blakely:** I would like it to cover seasonal workers, fishermen, construction workers, people who work in day care. I would like it to cover everybody who buys insurance, that contract of indemnity against a foreseeable event. If you pay, you should collect.

[Translation]

**Mrs. Josée Beaudin:** Thank you.

We are in an economic crisis, as you said, Mr. Dorval. This is therefore a temporary measure for a particular situation. We are currently choosing to help workers who already have a number of weeks. These are the ones in least need, essentially, if you compare them to many workers who have already lost their jobs and are not even entitled to employment insurance benefits. As a temporary measure, this choice does not seem to make sense. Is it a choice that you would have made?

If you had to choose a measure which, in times of an economic crisis, would help workers in need—the fundamental objective of employment insurance—would you have made the same choice, given that other measures extending the number of weeks were adopted in the last budget?

**Mr. Yves-Thomas Dorval:** In all honesty, I would not be able to tell you which measure is best. We have not had an opportunity to study it and obtain all the information. This is one more piece that is added to another piece, with no thought for the overall picture. It is difficult for us to look at the relevance of a piece like that without having an opportunity to look at the overall picture, always bearing in mind people's ability to pay.

We cannot comment on the relevance of this measure in particular because it is, essentially, one measure on top of another. In essence, this is about adding \$4 billion. We must make a distinction between social measures taken in a difficult situation and an insurance program which must comply with conditions. If we do not like these conditions, let us change them. But it becomes extremely difficult when you pay your premiums and see that the criteria have suddenly changed.

Since we are going through a temporary situation, this must also be a temporary measure. We are all hoping that the recovery will occur as quickly as possible, but that will require private investment. We have heard about infrastructure, and that might help, but at some point, we need to take measures to stimulate private investment.

Going back to your question more specifically, we say that the money must come from general revenue. We are prepared to examine the program in general terms to see how we could improve it, given the new economy and the situation. But not during a period of crisis, because a crisis is a poor advisor.

[English]

**The Chair:** Thank you very much, Madame Beaudin.

We're now going to move back over to the Conservatives. I believe Mr. Cannan is up.

**Mr. Ron Cannan (Kelowna—Lake Country, CPC):** Thank you, Mr. Chair.

Thank you to our witnesses. I appreciate the discussion around the table. As previous colleagues have mentioned, several witnesses have been at the various meetings, and Minister Finley as well as the staff, and we've alluded to the approximately 190,000 employees who will benefit from the amendment to the EI act, as well as to the work share programs. There are about 8,500 work share agreements in place helping about 165,000 employees. So it is a suite of programs that we have implemented, with the additional five weeks and with the economic action plan, and trying to put them all together to build on that and monitor it and be responsible. We'd love to be able to help everybody, and that is our effort as we move forward. But we also have to be responsible for taxpayers' dollars.

As an association, Mr. Blakely, you mentioned that this specific bill, C-50, would materially assist your members. How many members would benefit from this particular legislation amendment that is being proposed?

• (1650)

**Mr. Robert Blakely:** With our current membership, roughly half a million members on any given day, we represent 8% of the workforce in Canada. So if you look around, I think your number was 190,000 people who will benefit from this, and based on that 8%, on any given day about 13,000 of our members will benefit.

But I'd also like to make sure that the apprentices, a significant number of them, don't fail to benefit. I'd like them to benefit.

**Mr. Ron Cannan:** We're very adamant about supporting our apprentices. As we know, that's a sustainable workforce that we need to mentor.

I know in British Columbia we've been working at a promotion on the female marketplace for our apprentices as well, so it is really encouraging to see in the mostly male-dominated trades a lot of females are entering. As the father of three daughters, it is encouraging to make sure that we have an equal opportunity employment sector.

We had the Canadian Federation of Independent Business here on Tuesday and they talked about the whole aspect of an accountable EI program. As we know, the money is gone, the \$57 billion or however much was expended. The fact is it's not there, so we're working at trying to be accountable in the future. What would you recommend? Would you support the mandate of a new EI program, where it is going to be balanced and have cost recovery?

**Mr. Robert Blakely:** I believe that EI should be self-funding wherever possible. I also believe that the current legislative regime

makes it difficult for that to be achieved, given the strictures there are on the finance board to raise enough revenue. I forget exactly the number, but they can only change the premium in a narrow band. If they could do more, I would be happier.

**Mr. Ron Cannan:** Colleagues from Quebec, as far as the proposed Bill C-50 goes, as I said, it's not the panacea, not the silver bullet—these are all incremental programs to help the workers—but would some of your members benefit from this legislation that's being proposed?

[Translation]

**Mr. Yves-Thomas Dorval:** No, it is the employees who have lost their jobs. But employees work for companies. Of course, people in Quebec are probably going to benefit from it, but to go as far as to say... We represent employers. We notice that the contributors will be the ones to pay, and employers are going to have to pay more for this new program. That is what worries us, as I am telling you. Now is not a good time to ask people to pay more.

[English]

**Mr. Ron Cannan:** Thank you very much.

**The Chair:** Mr. Martin from the Liberals, five minutes.

[Translation]

**Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.):** Thank you very much, Mr. Chair.

[English]

Thank you all very much for being here today.

I have three questions: one is on equity and two are on structural reform.

On the first one, on equity, I'm from British Columbia and it seems to me there are great interprovincial differences in terms of eligibility requirements, so I would ask, do you not think—I think Mr. Schumann mentioned that one size doesn't fit all—it would be reasonable and fair to ensure that there was going to be one standard for every worker across the country?

On my second question, I think all of us are very concerned about the deficit in skilled trades in Canada. I was curious if you had done a human resources assessment of what those projected deficits would be in the various skills trades. If you could at some time give that to the committee, I'm sure that would be of great interest to us.

Lastly, you mentioned a fundamental concept, Mr. Blakely, which is making sure that EI becomes a self-funding situation, more like a true insurance program. Do you have a structure and plan on how to make that happen?

Thanks very much.

• (1655)

**Mr. Robert Blakely:** Let me answer all three of your questions.

The current system, which contains, I believe, 50-some zones and 50-some different qualifications, where someone living almost across the street has a different qualifying period, makes no sense to me. It needs to be fixed.

On the second issue—can we talk about the skilled trade deficit?—we do LMI studies through the construction sector council on an annual basis. I can get you some of that material, and I will undertake to do so and get it to the committee in reasonable time.

Thirdly, how would I make EI better through the funding arrangement? I think the short answer to that is, EI needs to be self-funding, and if it builds a surplus, a reasonable surplus needs to be maintained in order to look out for those rainy days. I would say that succeeding governments of Canada used EI for their discretionary funding and we're now paying the price for that.

**Hon. Keith Martin:** Given the demographic changes taking place in Canada today and the competition that is going to occur from many different sectors in our economy beyond what has already been done by previous governments, do you have any sense of how one can incent young people to actually pursue the skilled trades?

**Mr. Robert Blakely:** We spend a lot of time and a lot of resources in trying to recruit young people. They say that if you're trying to recruit someone into the trades in high school, you are five or six years too late. You should be starting in grade 5, grade 6. We're actually trying to get some programs going that do this.

By putting the training that a young person gets in the trades on par with other secondary school education, that is, by the provision of some grants, some incentives to go to school, by perhaps service scholarships, as has been done in Saskatchewan.... There are a number of things that can be done. We've been to your committee a number of times in the past and mentioned mobility incentives, training incentives. In fact, your committee has even come out and made some recommendations that have adopted some of the things we've suggested. Unfortunately, none of the recommendations has ever seemed to find their way into law. They've just been recommendations.

**Hon. Keith Martin:** I think one of the sad things, and we all know about it, is the decrease in access to skilled trade opportunities within the training programs of secondary schools. I think that's a really sad thing. We know when things are cut, the trades programs are cut in schools because they are so expensive, but I think we all lose when that happens.

Thank you for your comments.

**The Chair:** We'll move over to Mr. Komarnicki for five minutes.

**Mr. Ed Komarnicki (Souris—Moose Mountain, CPC):** Thank you for appearing and putting forth your points of view. There has obviously been a divergence of opinion from the many witnesses we have heard, which indicates the difficulty that this committee and government face in coming to a conclusion.

I know we've gone through a period of recession. There are some predictions that the economy is recovering, but the general trend has been that skills upgrading and training is something that is essential. Certainly as we go forward there will be needs for retraining in many cases.

Mr. Blakely, from your perspective, would you agree that funding into areas of skills upgrading and retraining would be important and should be continued?

**Mr. Robert Blakely:** Yes, sir.

**Mr. Ed Komarnicki:** Mr. Dorval, you seem to be agreeing. Do you have any thoughts about that?

[Translation]

**Mr. Yves-Thomas Dorval:** Are you referring to vocational retraining?

Yes, I would say that if there is one measure that all the players in Quebec would agree on wholeheartedly—I mentioned this a little earlier when I spoke about the Commission des partenaires du marché du travail—it is this one. This is a priority in Quebec.

In fact, the more effort we put into ensuring that workers are trained or retrained, the more likely we are to see a drop in unemployment, especially when we are dealing with the next challenge. Historically, the crisis we are currently going through is extremely brief. Nevertheless, particularly in Quebec where we will soon be facing a sizable demographic deficit, it is extremely important to find ways to ensure that our workers are better trained or retrained.

Also, when we go through a period of economic slowdown, we have to work more to maintain people's jobs, so that the employers do not lose them and that they will be ready when the recovery occurs. This is essential for us. This is a unanimous opinion, and not only among employers. This is also the feeling in a community and in Quebec society. We have had structural unemployment problems and we want to deal with them. This is extremely important to us, this is our priority.

• (1700)

[English]

**Mr. Steven Schumann:** I think one thing is to make sure they get the right training.

If you look at some of the problems out there, it's actually about getting the information out, even to Service Canada.

Mr. Lobb, when you and I met in the spring, I mentioned our training school. You were quite unaware of it, and service centres are unaware that we exist as training schools, and we actually put them to the provinces. To give a general example, let's say Bob's Trucking School is going to give you training on four pieces of equipment in four weeks. That doesn't give you the skill that you'll need to actually get a job, to run a forklift or a backhoe. There needs to be more information out there. If you want to get the right training, you have to ask for the right training, which means going to a school or a college that is going to give you the right accreditation and the proper training to move forward, and not to one of these private enterprises that have now been struck up and are actually getting a buck and not actually training anyone.

**Mr. Robert Blakely:** If you'll permit me, I'd like to comment.

Across this country the construction unions maintain a training infrastructure with \$600 million, and every year we spend \$200 million on training. That is all private money. The closest the Government of Canada has ever come to helping us was the TCIF, the training centre infrastructure fund, that the Liberal government put in place. It was a pilot program worth \$25 million. When the new Government of Canada took power, they axed that, along with a lot of other funding, I guess because it came from the Liberals; I don't know.

The short answer with regard to training is that we need training capacity in this country. There are thousands of jobs that are going to go begging because we can't get people trained. As well, there needs to be a really good look between HRSDC and the people who provide training, in my view, to find out ways that we can do it beyond the community college.

**Mr. Ed Komarnicki:** Given that fact, I suppose the training has to be specific and it needs to be effective. As well, you don't want to spend three years when you can maybe achieve that in six months or a year. There's obviously room for improvement in a number of areas.

Mr. Blakely, you said we need to cover more workers, cover seasonal workers, and cover a whole vast situation that we're not now covering, but at the same time you're saying it needs to be self-funding. The aspect I'd like to raise, depending on my time, is if you're going to add benefits, it's going to mean either an increase in premiums or an increase in the deficit.

I gather, Mr. Dorval, that your view is that there shouldn't be either of those. You would like to see the employer's share brought down and brought closer to equality with the employee's share. It's fine to say you'd like to cover a wider spectrum of people and so on, but what's the reality?

Mr. Dorval, what are your thoughts about that comment?

[Translation]

**Mr. Yves-Thomas Dorval:** As I said earlier, the employment insurance program covers various aspects, and we have to take that into consideration. It is not just about benefits. Prior to the current recession, expenditures were more or less divided as follows: 50% for benefits and 50% for parental leave insurance, training, health insurance, administration, etc. In a nutshell, employment insurance includes many things, and it is going to take much more than a quick simple discussion about one aspect of the bill to really draw solid conclusions.

As far as we are concerned, we will be the first in line to participate in discussions on a comprehensive reform. It is understandable that we would want to see the employers' contribution remain stable, limited. We do not want to reduce it, but at the very least, we do not want to see employers forced to pay higher payroll taxes. We need to make sure that companies can create other jobs and enable more people to join the labour force rather than be on unemployment.

• (1705)

[English]

**The Chair:** Thank you very much.

Mr. Godin, we're going to give you a couple of minutes. You can take five, if you want. I know that Mr. Lessard wanted one additional question as well, so we're going to finish up with you two gentlemen.

Go ahead, Mr. Godin, for five minutes.

[Translation]

**Mr. Yvon Godin:** Thank you.

Earlier, Ms. Folco asked you to provide some figures, but I am not going to ask you to do calculations the entire weekend. You said that the situation is difficult for many young workers, since they are the first to lose their jobs, and that this is also the case for women.

Is that because of the number of hours required to qualify? They need 840 hours at the moment.

**Ms. Norma Kozhaya:** I imagine that that is partly the case.

**Mr. Yvon Godin:** So the 1996 Liberal reforms are causing the problem.

**Mr. Yves-Thomas Dorval:** Mr. Chair, youth have been more affected because, as we explained earlier, they are the last to arrive on the job market. Consequently, they have accumulated fewer hours of work and have less seniority.

**Mr. Yvon Godin:** If they have worked fewer hours, that means that they have been disadvantaged because of the high number of hours required, because that number has increased. There is quite a difference between the new figure and the 150 hours that used to be required. When we talk about 910 hours, it is a far cry from 150 hours.

**Mr. Yves-Thomas Dorval:** I would also add the fact that young people work in certain specific sectors. So, in Quebec, the tourism sector, which was hard hit, springs to mind. A lot of young people worked in this sector, usually in temporary jobs. So, yes, more young people have been affected.

**Mr. Yvon Godin:** My question is for the two or three groups that are here. Do you not find this to be artificial? The board has been appointed and the government has frozen contributions for two years. Did the board do its job? Two million dollars were taken from general revenue and sent to the board. So \$55 billion are gone. We are now stuck with this situation.

Now we are going through an economic crisis. We talk about \$55 billion, and we are being generous at that, because the law states that the government has to pay interest on that \$55 billion dollar amount. If we were to calculate the interest, we would see that we would be talking about much more than \$55 billion. The gentleman from the Conseil du patronat has had much more money than that stolen from him.

**Mr. Yves-Thomas Dorval:** I agree.

**Mr. Yvan Godin:** You agree! Thank you.

[English]

I'd like to have your opinion on it, Mr. Blakely.

**Mr. Robert Blakely:** In fact the board really has no power to run EI. All they can do is set the rate, invest the money, come up with a balance sheet at the end of the year, and determine whether they made money or lost money.



**Mr. Yvon Godin:** In this case, though, they are not the ones setting the rate, because the government said it was frozen for two years.

**Mr. Robert Blakely:** Exactly.

**Mr. Yvon Godin:** Then are we just paying a board with nothing to do? Is the money from EI paying for a group of people to stand by and wait for the boat to come through?

**Mr. Robert Blakely:** That was at least part of the pitch I made to this committee when those amendments went through. In the whole business of self-funding of EI, you pay the cost in your taxes or you pay the cost in a payroll premium. When the cost of life insurance goes up or you get a little older, you pay more for life insurance. I don't mind paying a little more—

**Mr. Yvon Godin:** No, but the GST was there to pay the debt of our country, not the EI program.

• (1710)

**Mr. Robert Blakely:** I wasn't talking about the GST, though.

**Mr. Yvon Godin:** No, I'm not saying that. I'm making a statement. It's not from what you said. I said that in reality, if you want to pay the debt, that's why they put GST and PST.

**Mr. Robert Blakely:** EI wasn't supposed to pay the debt.

**Mr. Yvon Godin:** No, it was not supposed to do that. It was supposed to help workers. We all agree.

Mr. Dorval, you agree with that too.

Okay. *Merci, monsieur le président.*

**The Chair:** We're going to finish up with one question from Mr. Lessard.

[Translation]

**Mr. Yves Lessard:** Thank you, Mr. Chair. I think that this is something important. Mr. Dorval, your experience with the Commission des partenaires du marché du travail is very revealing. In my opinion, we can learn a lot from it.

I would like to know your opinion on training. Mr. Blakely also raised this point. We cannot train everybody. I will give you two examples, which probably involve your members. Let us take the example of Whirlpool, in Rivière-du-Loup, the former Bélanger plant that shut its doors four years ago. Three hundred and fifty people worked there. More than 20% of the workforce was over 55 years of age. They had worked there for 35, 40 or 45 years. They had been trained, but there were no longer any jobs for them.

It is the same for the shoe plant in Charlesbourg, which shut down three years ago. The workforce was almost exclusively women. All the women over 55 years of age, who had always worked in the shoe industry, no longer have any job opportunities. A lot of women received training, but there are no more jobs.

One thing requires some analysis and an answer. Are these people supposed to wait until they are 65 without any income, or, as part of your joint reflection process, have you come up with any ways to compensate for the government's lack of initiative?

**Mr. Yves-Thomas Dorval:** I will let my colleague speak more specifically about the program for older workers.

What we are trying to do together, with our Quebec partners, is to arrive at a better analysis of labour requirements. We also want to determine how to create a balance between labour demand and supply. Obviously, this requires cooperation.

Since we are talking about training, I would add that I heard one of your colleagues talk about the Red Seal Program earlier. I would remind you that in Quebec, we have a small problem with Red Seal. Approximately 70 trades requiring rigorous professional accreditation cannot be part of the Red Seal Program because this type of trade is not recognized professionally elsewhere. We would like the Red Seal Program to recognize those people because money is also tied up with this.

I will now go back more specifically to your question. Some people will not be able to find another job because they do not have certain aptitudes, skills or abilities. We have programs to deal with these situations. You know that, because of the demographic deficit in Quebec, we are now asking for changes to the pension plan, to the Régie des rentes du Québec, so that we can find incentives for people to work even though they are older. But, if it were me, I would not resolve the whole issue of age immediately. There will be many job opportunities for older workers in the future because there will not be enough manpower to do the available work.

Going back to your question, I would say that there certainly are situations that we will not be able to resolve. We therefore have to create social programs to support those people who do not have the ability or skills required or the opportunities to find a job.

**Mr. Yves Lessard:** There are also issues pertaining to the community.

[English]

**The Chair:** Thank you very much.

I want to thank all the witnesses once again for being here on such short notice and for the contributions they've made.

I'm going to suspend the meeting. People can thank the witnesses, and then we'll get right back at it. We have some committee business to deal with.

Thank you once again.

[Proceedings continue in camera]





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