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and Social Development and the Status of  
Persons with Disabilities**

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**Chair**

**Mr. Ed Komarnicki**



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

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• (1530)

[English]

**The Chair (Mr. Ed Komarnicki (Souris—Moose Mountain, CPC)):** I'd like to call this meeting to order.

I should mention to the committee that just before the end of the meeting I'll want a brief time to talk about committee business. I'll ask the clerk to distribute a calendar to set out what we're doing to the end of this session. When that's distributed, you can have a look at it and then we can have some discussion about that. My sense is that will take us pretty much to the end of the session, but we're open to any comments.

We'll have Mr. Wiseman present first, and there will be a bit of a tag team there. Then we'll hear from Mr. Sutcliffe. After you've presented, members of the committee will ask questions of you; then, when we get near the end of the hour, we'll adjourn for the next panel.

With that, we'll ask Mr. Wiseman to commence his presentation.

**Mr. Mervin Wiseman (Chair, Canadian Agricultural Human Resource Council):** Thank you very much, Mr. Chairman.

Where do I start? There's so much to say in a short period of time. Let me begin by thanking you and the committee for allowing us the time today to speak on behalf of the Canadian agriculture industry. I'm the chair of the Canadian Agricultural Human Resource Council. Portia MacDonald-Dewhirst is the executive director. We'll take a tag-team approach here, if we may.

I want to speak to some of the broader issues around the sector council, CAHRC as we call it. I'd like to speak to an emerging issue, if I could, which is that of EI and the effects of that.

I understand, Mr. Chair, this is not a hearing on EI, but because of its impacts on labour and skills in this country as far as agriculture is concerned, we're wondering if we could somehow dovetail into that a little bit, just to give you a flavour.

**The Chair:** I might indicate that the study is particularly related to skill shortages, and I'm not so sure that we want to delve too far into the EI. I know there's a motion before us to look at that as a subject in itself. It would have to have a very direct correlation for me to allow questions to be asked in that area, so keep that in mind. I know you may want to make some indirect references or whatever, but I don't want this to get in to an EI hearing. That's another matter for another time.

**Mr. Mervin Wiseman:** I appreciate that, Mr. Chair. Thank you very much.

Our constituents in the agriculture industry represent about 300,000 farming enterprises across the country. Our enterprises employ another approximately 300,000, for a total of somewhere close to 600,000 people in the workforce.

There have been significant issues emerging around the agriculture industry on labour and skills development for quite some time. We became part of the sector council almost five years ago to deal with and be proactive in our approach to addressing some of these concerns. I think we've been successful at this stage.

The cutbacks in the sector council program came as a bit of a shock to us, as it was such a proactive and positive kind of activity that we were undertaking. There were serious gaps in labour market information, which we have since filled. There were significant areas of skill shortages for various reasons, which we have been able to get some movement on.

The sector council is all about collaboration—with government, with training institutions, and with organizations whose set goal is to take care of some of these larger issues. Of course we are good now until the end of fiscal year 2013 with funding from HRSDC on that sector council program, but after that we're cut loose along with the other I think 34 sector councils in the country to survive on our own. We're working very hard to do that.

I hope there's a message embedded in there somewhere that we will be soliciting support from government to continue with the kind of work we've been doing.

That is, in broad strokes, our purpose and what we do. We've gathered significant labour market information statistics around the shortages. We have a significant shortfall—a “deficit” is what we call it—of farm workers, something around 10%. That's twice the national average of all other occupations that we can find. That's a significant deficit. We have indications that the demand for farm workers for farm enterprises going forward will be about 2% a year.

Time being so precious here, I hope we can get some questions to further amplify some of our issues around that.

Let me now defer to Portia for some quick comments.

• (1535)

**Ms. Portia MacDonald-Dewhirst (Executive Director, Canadian Agricultural Human Resource Council):** Thank you, Merv.

This is a considerable concern for the industry. Through Agriculture and Agri-Food Canada there exist 11 value-chain round tables that represent the different commodity groups for agriculture. Each of the chairs of those value-chain round tables has agreed that labour is such a concern that they have struck a labour task force. They're looking for input and support at the government level, not just from Agriculture Canada, but also from other stakeholders, such as HRSDC, CIC, and the Canadian Agricultural Human Resource Council, to provide insight and input into a consolidated approach on how to address this critical concern.

The council has done a lot of research around this very issue. Our mandate is specific: to address the HR needs of farm producers across Canada in different regions and across commodities. Through all of our research we have come up with three really relevant recommendations that I'd like to bring forward today.

First and foremost, we need a better and more accurate picture of the labour market in agriculture. Merv threw out some numbers. Stats Canada does some work in this area on the agricultural census, and those numbers are showing different pictures of this industry. We know that those pictures are not all that accurate, so we need to get a better handle on how many workers are employed in this industry.

There's a significant impact on Canada's GDP. We know that element, but we don't know so much about the labour force and shortages, other than we have forecast that there are significant vacancy rates. We need a better and more consolidated approach to gathering that information. By gathering that information we will have access to employers and better access to employees to support those organizations in their training. We can make policy decisions on longitudinal data that's accurate, rather than guesstimates.

So that's recommendation number one, which is very important to today's session.

Second is to increase the current supply of labour for agriculture in both skilled and unskilled occupations. This is critical. This is the exploration you're undertaking today. There are all sorts of things that can and should be addressed in doing so, such as career promotion and awareness; career pathing; linking student interests to careers in agriculture; and recognizing the vastness of those opportunities for those who are interested in biology, mechanics, physics, or business. There's training availability; helping to support school-to-work transitions that are so important to any sector of the economy; work experience programs; and linking labour supply and demand more effectively by matching students and workers with employers. There are all sorts of things that can be done with our stakeholders to address this issue for both skilled and unskilled occupations.

The third major recommendation is that this organization work toward supporting employers with their HR function. That means engaging stakeholders like the federal government departments of AAFC, HRSDC, and CIC on this matter; working with provincial governments for consolidation of their associated departments around agriculture, education, and economic development; working with educational institutions at the primary, secondary, and post-secondary levels; and working with federal and provincial industry associations, and of course with employers themselves.

The real thrust here is for us to establish credible and reliable information that employers can use to plan their businesses and ensure that small and large farm operations in all regions of Canada are well supported to find the talent they need, access those pools of labour that are very difficult to access, retain that talent along the way, and ensure that people are well skilled. That's the role of the sector council, and that's what we are endeavouring to do to assist with this very critical issue of labour shortage for this industry.

• (1540)

Merv, do you have anything further to add?

**The Chair:** Did you have something to add?

**Mr. Mervin Wiseman:** No, that's fine.

**The Chair:** Okay, you'll wait for the questions. That's fine.

Mr. Sutcliffe, go ahead with your presentation.

**Mr. John Sutcliffe (Executive Director, Canadian Council of Professional Fish Harvesters):** Thank you, Mr. Chair.

My comments are brief, and we look forward to the members' questions.

The Canadian Council of Professional Fish Harvesters is the National Human Resource Sector Council for the Canadian fish harvesting industry. The council is a non-profit organization. We were founded in 1995 to represent the interests of fish harvesters at the national level and to promote professionalization of fish harvesters through support for regionally based and industry-led initiatives.

The council's mission is to ensure that fish harvesters have the appropriate knowledge, skills, and commitment to meet the human resources needs of the Canadian fishery, now and in the future. The council members represent the crewmen, captains, and vessel owners in the independent owner-operator fishery in Canada.

The owner-operator fishery is the dominant characteristic of the Canadian fishing industry, representing over 90% of employers and crew and producing upwards of 75% of the landed value. There are about 1,300 rural, coastal, and inland communities dependent on the fishery. It's especially noteworthy, I think, that overall in Atlantic Canada, the fish harvesting and processing sectors together are the largest private sector employer.

In the early to middle 1990s, in response to the collapse of the cod stock and other stock concerns on the west coast, a major restructuring of the harvesting sector took place. The entrenched view was that there were too many boats and the people on those boats were chasing too few fish, a situation contrary to the issues that bring us together today. Today, the fish harvester labour force is much smaller—perhaps surprisingly, 40% smaller on the west coast and 20% on the east coast, in spite of the massive restructuring on that coast, particularly in Newfoundland—and labour market challenges are pointing to a crisis for the sustainability of the fisheries labour force and coastal communities dependent on the fishery.

Without getting into any of them at this point, four major contributing factors are demographics, the changing status of crew members, declining fishing opportunities and prices, and rising costs. Today a career in fishing entails an uncertain future and significant investments to acquire fishing assets and skills. Other opportunities are more attractive for a younger generation that would traditionally have been recruited to the fishery.

Strategies are needed to address fisheries labour force challenges and ultimately the sustainability of many coastal communities. There are opportunities; fish harvesters can become partners in fisheries management and science—a partnership that the Department of Fisheries and Oceans has been reluctant to engage.

Many of the skills that are required to be successful at fishing are similar to trades skills that are increasingly in short supply in rural and remote communities. Programs to support occupational pluralism could improve the attractiveness and viability of the fishing occupation. Also, and perhaps most optimistically for many harvesters, changing seafood market demand may create new opportunities for Canadian fish harvesters.

That's a very quick run over a number of issues with regard to the labour force in the fish harvesting sector.

I have provided a sector study that is the only human resource study of the fish harvesting sector that's ever been done. It's condensely detailed. You have before you the summary in text. There are a thousand pages of data attached in a CD, if you wish to really dig into it.

●(1545)

One issue with regard to that study is that it was the first and only one, and it was completed in 2005, so it's somewhat dated. Some of the big changes in the industry have occurred since then, so we would like to update that study. We do have the resources to do that, and we have strong interest and cooperation from our membership across the country, but one of the difficulties—or really the only difficulty—has been accessing the Department of Fisheries and Oceans database, which we previously accessed in order to produce the study, and in particular, a very extensive survey that was done coast to coast of all major fleet sectors.

We would really like to proceed with a similar survey, with a third-party survey firm, using the same samples, because the trends around harvester expectations, commitments, training priorities, and so on would really become clear. It's a piece of labour force information that other sectors of the same department acknowledge is also very important for evolving fisheries management policy decisions.

Those are my opening comments. Thank you very much.

**The Chair:** Thank you for that presentation.

As I mentioned previously, we'll have rounds of questions. They will be limited to five minutes. We'll start with Mr. Cleary.

**Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP):** Thank you, Mr. Chair.

I thank our witnesses today.

This study, as you know, is about labour and skills shortages, so my question is very specific. I'll be looking for answers from you, Mr. Wiseman, and from you, Mr. Sutcliffe, from both the agriculture sector and the fisheries sector.

Will the changes to employment insurance that have been proposed lead to labour and skills shortages in your industries? Very specific....

●(1550)

**Mr. Mervin Wiseman:** The short answer is yes. I don't know if you want me to qualify that.

**Mr. Ryan Cleary:** Yes, please.

**Mr. Mervin Wiseman:** Well, it's funny.... In terms of issues that we would want to present here today, we had framed up what we thought was a good presentation on a lot of different aspects. Since the announcement on EI last week, we took the trouble to go across the country to our board of directors, who are from all the provinces and territories, and there has been an awful lot of absolute anxiety and stress, and also the belief that there will be a net total loss of the labour pool as well as skills.

If I could, I'll illustrate that a little bit. I'm a farm enterprise employer myself. I own the largest silver fox farm in the world, actually, in North Harbour, Placentia Bay, Newfoundland and Labrador. In my enterprise, I have a breeding season of about six months. I have developed a level of expertise there that's very important to me. It has come with experience, apprenticeship-type approaches, and some formal education.

Unfortunately, I don't have the extra six months to fill in labour for that person. If that person were to find himself out into the workforce through some of the different gateways that are now being established through the new rules of EI, I would be absolutely devastated. If I couldn't get that worker back, I don't know where I could find another worker. That's a small example to illustrate what others have told me almost entirely—for example, in the fruit industry, the horticulture industry, and other livestock industries.

While it would appear that some of the jobs are low-skilled, if you will, on labour, that is in fact not the case. What's going to happen here is that it's really going to push producers to start to more aggressively get more foreign workers to come in. I think that's counter to what the objectives are of the EI program as I see it—

**Mr. Ryan Cleary:** I'm sorry to interrupt. So what you're saying is that this will lead to the need for more foreign workers.

**Mr. Mervin Wiseman:** Oh, no question, because, look, there's one thing about the foreign worker program.... These workers are hard workers, and let me tell you that it's not the choice of Canadian farmers to go out to the foreign worker program. I and others have said that you have to go to bureaucratic hell and back to get a foreign worker into this country. It's a very long bureaucratic process. You have to go through all kinds of checks and balances. On average, the cost of bringing in a foreign worker would probably exceed the cost for our own workers here in this country, for people who might be on EI or otherwise, by about 20%, and sometimes even more.

I myself have had workers in from Poland. I bring in a couple of workers every year because that level of expertise I need is not available to me during the pelting operation. I have to pay for the airfare for Polish workers to come here. I have to pay for their lodging. I have to take care of insurance needs such as health care insurance and so on. So the layer of cost on top of it is really very cumbersome and inhibiting. It's something that we're scared is going to....

**Mr. Ryan Cleary:** Thank you, Mr. Wiseman.

Mr. Sutcliffe, can you tackle that question now?

**Mr. John Sutcliffe:** Briefly, it's really hard to know until we have more details what the specific impacts are. I would guess that as far as the availability of crew in the inshore fishery goes, given some of the regulatory requirements for training, to address what we all know are outstanding safety issues in the industry and the difficulty now in acquiring crew, that it would exacerbate the problem. That is, if crewmen had taken other jobs in other communities, in what generally are remote areas in our industry, and were not available for start-up of the season and so on, it would create some significant jeopardy for that important fleet.

**Mr. Ryan Cleary:** Is it fair to say, then, both of you gentlemen, that your industries are against the—

**The Chair:** Your time is up. I'll let you conclude, but I will say this: I think it's appropriate to make some general observations, but as you know, the EI regulations have not yet been passed. There has been some speculation as to what they may be and some statements as to what they might look like. I think you're making some general comments based on what you've heard. I have accepted that and have not intervened, notwithstanding my earlier remarks. I don't want us to get into a specific fishing expedition about what the EI regulations might be and what has been said publicly. That's not the nature of this study.

I think the questions asked and answered so far have been appropriate, so I'll let you conclude your remarks on that question, if you will, and the same goes for Mr. Sutcliffe, if he wishes.

Go ahead.

• (1555)

**Mr. Mervin Wiseman:** I'll be very quick. I liked the pun.

You know, I wouldn't want to say that we're for or against them. It's too premature. All I would say is that we would want to raise the flag on that, and we would need more consultation.

It creates a level of uncertainty. We just simply don't know.

**The Chair:** Hold on a second.

**Ms. Kellie Leitch (Simcoe—Grey, CPC):** The witness is only speaking to employment insurance, not to job shortages. That's what our study is about. I'd ask the witness to speak to job shortages.

**The Chair:** As a point of order, I'll either rule it in or out.

I think there is a thread of connection. I think you understood what it is, so conclude, if you could.

**Mr. Mervin Wiseman:** I won't exacerbate that. I'll just say it's there. It's an underlying current we need to appreciate and understand within the scope of labour and skills. Other than the fact that I would want to, at this stage, highlight it, I wouldn't want to commit to good, bad, or otherwise.

Thank you.

**The Chair:** Mr. Sutcliffe, did you wish to make a point?

Just before you do that, there is a point of order.

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** I would think so, Mr. Chair. The minister, at every opportunity during her press conference last week and in every response to a question from the opposition, made reference that the EI changes are as a result of what was necessary to address the unprecedented skills shortage in this country. It's their reference point on each response to an opposition question, so I think it's legitimate.

I commend the witnesses for bringing it forward today, and I think it's legitimate to understand their observations.

**The Chair:** I think, from that general perspective, I've allowed the questioning to go on. I'm not about to get into an examination of the EI rules or regulations that have not yet been passed, so I'll rule any of that out of order.

From a general point, because there is that connection, if you stay on that connection, it's fine.

Mr. Sutcliffe, do you wish to make a comment on that or not?

**Mr. John Sutcliffe:** I would simply say that as we learn more details and hear from our members—because there will be different regional impacts with any changes—then we would like the opportunity to appear before this committee or participate in any other process in regard to those changes.

**The Chair:** Okay, we appreciate that comment.

Now we have Mr. McColeman on deck.

**Mr. Phil McColeman (Brant, CPC):** First of all, I want to thank the witnesses for being here.

Just so you understand, I represent a riding in southwestern Ontario that has about a 35% agricultural component. I've been getting feedback from all the different commodity groups, and we have a broad range of commodity groups: you name it, we have it. Tobacco probably dominated at one time, but it certainly does not any more. They have suggested that some of these changes would actually be to their advantage.

I don't want to go down that road, because the chair has said that's not why we're here. We're really here to talk about how we employ people full-time, year-round, if possible, in jobs where the shortages are.

From the numbers I received here today from Mr. Wiseman, he represents 30,000 businesses or groups. Is that the total number of businesses in Canada?

**Mr. Mervin Wiseman:** It's 300,000.

**Mr. Phil McColeman:** So 300,000 in Canada.

You represent your membership, or that's all-encompassing?

**Mr. Mervin Wiseman:** That's all-encompassing. Our membership...our board of directors is made up of a director from each province of Canada, as well as each territory, as well as various leading commodity groups within Canada. For example, the president of the Ontario Federation of Agriculture is actually one of the members and the vice-president of our organization.

**Mr. Phil McColeman:** Fair enough. I want to drill down on the numbers.

It's 300,000 employees, and then you said there is a deficit of farm workers of 10%, two times the national average. Would that be 30,000 in terms of job shortage, or 60,000?

**Mr. Mervin Wiseman:** If you want to look at the 10% deficit that I talked about, the jobs and the shortfalls, that would be 600,000, because the total numbers are 300,000 enterprises, approximately.

We have the exact numbers. Approximately—

**The Chair:** Excuse me, Mr. Wiseman.

Did you have a comment?

**Mr. Rodger Cuzner:** No, I'm having trouble...

The communicators up in the box will look after the microphone for you. You guys don't have to. We're automatic pilot here.

• (1600)

**Mr. Mervin Wiseman:** Okay, thanks. I thought you were going to mention that I'm talking too fast. I have a tendency to do that sometimes.

If I could just recap, there are 300,000, approximately, farming enterprises. Each one of these enterprises has a number of employees, which also totals approximately 300,000. So it's a total of 600,000, 300,000 workers plus their enterprises. So, yes, the deficit is in the 30,000 range. I'm sorry.

**Mr. Phil McColeman:** It's in the 30,000 range of pure numbers?

**Mr. Mervin Wiseman:** Yes, the deficit is unemployed, yes.

**Mr. Phil McColeman:** Most of the farms in my area are family-owned or have been passed down, or are still family-owned. They're not large corporate operators, although there are a few of those as well. It probably depends on sector. Describe to me, if I am one of these.... Let's say I'm a vegetable farmer and I need people. What kinds of shortages would I experience as a vegetable farmer?

**Mr. Mervin Wiseman:** The numbers tell us that.... Let me check here.

I think 62% of the workers who are out there across the country are seasonal workers, part-time workers. Not quite 40% would be full-time. Understanding the variation of the seasons, if you're in the horticulture industry, which is where a lot of the shortfalls come into play, you're starting to get into your seasonal worker program in early April.

**Mr. Phil McColeman:** I have limited time, and that's why I have to go as fast as I do here.

A lot of my farmers bring in foreign workers, and I'm told that with the new expedited ten-day foreign worker program we've put in place it's not the nightmare that you described in your testimony. Can you square that for me?

**Mr. Mervin Wiseman:** I would square it with your comments. If your comments are accurate, praise the Lord, because up to this point I haven't seen it.

We have, as agriculture producers, some of it through our organization, CAHRC, been talking about these issues around the bureaucracy that's involved, and we want to have some shortcuts, if you will.

If you're saying that, then thank you very much, because it's something that we need, but what it means is that there will be a bigger and larger utilization of the foreign worker program.

**Mr. Phil McColeman:** I have one last question.

In your example of your not being able to get back the workers you had because they are skilled, I would presume from that then that they are laid off for let's say six months of the year, and you employ them for six months a year. Are you saying through your testimony here and your answers to the opposition questions that if an individual went out and got a full-time, 12-months-a-year job, you're against that individual doing that?

**Mr. Mervin Wiseman:** No, I'm absolutely not against that.

I encourage my employees all the time to do what's best for them. What I'm saying is that in the process of these people getting full-time jobs there is a loss.

Again, we're getting into the nuances of the EI program. I'm not saying this program is there for that purpose. What I'm saying is that in lieu of having the EI program, which in the large part has become part of the business risk management, especially as far as labour and skills are concerned, there is nothing to replace that.

The reality is that with what you've created on the one hand, a full-time job, if that happens for someone, you've created a shortfall and an issue where farming enterprises will have to get into extraordinary cost and logistics to find new workers and to be able to train them. There will be the cost of training, and there will be issues with finding these workers in the first place.

That may very well force the issue of temporary foreign workers. Is that bad? I don't know. I'm not about to say that's bad.

**The Chair:** That's not a problem, but your time is up.

We can let everyone continue along that line, but I think we'll now go to Mr. Brahmi.

[Translation]

**Mr. Tarik Brahmi (Saint-Jean, NDP):** Thank you, Mr. Chair.

My first question is for Ms. MacDonald-Dewhirst.

At the start of your presentation, one of the things you mentioned was data collection, an important factor that allows you to clearly see the areas where you have labour shortages.

Agriculture is not part of the Labour Force Survey, the LFS. Do you feel that the survey is not precise enough to allow you to exactly assess the needs of and fluctuations in the agricultural sector?

• (1605)

[English]

**Ms. Portia MacDonald-Dewhirst:** Thank you for your question.

Yes, that's exactly the intent of my comments.

Statistics Canada does engage in a labour force survey that provides information about agriculture. They also engage in a census of agriculture that provides information that's more in depth. However, neither of these pictures is robust enough to give a full and clear idea of the labour market in agriculture.

At the Canadian Agricultural HR Council, we have been very busy doing our own labour market information exercises to qualify some of those findings. There has been an express recommendation that the industry work with Statistics Canada, with HRSDC, and with the sector council to come together to provide a more consolidated approach at the federal level and also at the provincial level to collect the right kinds of information so we have a clear and accurate picture of this industry.

[Translation]

**Mr. Tarik Brahmi:** Are you saying that, in your view, it would be helpful to add a section that would deal specifically with agricultural labour in the monthly Labour Force Survey? Is that what you are suggesting?

[English]

**Ms. Portia MacDonald-Dewhirst:** Yes, that would certainly be helpful. Any elements that can delve more deeply into not just what crops are produced but into the human resource elements and the labour shortages that exist would be helpful to ensure that we all have a good picture of the labour market in agriculture and can develop good programs and policies to support that picture.

[Translation]

**Mr. Tarik Brahmi:** Thank you.

Because I represent an agricultural riding, I know that, on the one hand, retaining skilled workers is a problem and, on the other, finding unskilled workers is very difficult. So you have to look overseas. That is what happens in my riding.

In terms of retention, we see that the workers who appear on the market these days are more and more skilled. Do you think that automation could be part of the solution? It could help to get the unskilled work done, to keep the more skilled workers and to provide better paid jobs. Perhaps people would stay in agriculture longer because they could feed their families over a long term.

[English]

**Ms. Portia MacDonald-Dewhirst:** I think automation is an interesting concept that is being considered within the industry. Innovation is always good. It can be applied to students identifying the right kinds of careers they're interested in within this industry, helping them identify career pathways. Putting training online is an innovative way to access the right skills, but also in terms of the actual work.

Yes, of course there will be innovation in terms of the work, and that's always a good thing. We need to progress and ensure that the industry is sustainable and viable. So it is being explored and it will occur.

[Translation]

**Mr. Tarik Brahmi:** Thank you, Mr. Chair.

[English]

**The Chair:** Okay.

We'll move now to Mr. Daniel.

**Mr. Joe Daniel (Don Valley East, CPC):** Thank you, Mr. Chair.

Thank you, witnesses.

Along the same lines, you spoke about a large amount of money or time being spent on research on HR issues. Could you just expand a little more on what that research contained? Particularly in light of the fact that you're saying you need better data, credible and reliable information, has any work been done to define what information you need for your industry?

**Ms. Portia MacDonald-Dewhirst:** Yes, specific recommendations have been made. There are pages and pages of them. I've rolled them up into three broad categories for us today, just as consideration.

Certainly there has been a lot of time and attention—from subject matter experts across the country, and broad consultations across commodity groups—put on the kind of information we need to gather. That includes information so that we can gather longitudinal notions and trends about the labour force and where people are in terms of their careers. Succession is a critical issue as this workforce ages.

We also need to have a clear idea of the differences across the regions of Canada: size of farm and operation; the labour needs—full-time, part-time, seasonal—in terms of owners and employees; vacancy rates; access to labour; skilled and unskilled requirements.

So yes, consideration has been given. There are documented recommendations that are quite specific, with the stakeholders engaged in the process fully.

• (1610)

**Mr. Joe Daniel:** Have you identified which skills are actually in short supply for your industry and what can be done about that?

**Mr. Mervin Wiseman:** Yes, we have, to a degree, but in our quest to get that basic database, that labour market information, we did two significant studies. One was on farms greater than \$100,000 income per year. We did another significant study on farms less than \$100,000, which represent, by the way, the largest part of agriculture in Canada.

We just had a very cursory look at that, but that is an area that we need to get into in more depth. We're starting to identify some of the needs out there, and we're also starting to identify some of the best management practices, if you will, so that we can convey this to other farmers across the country and try to get skills development in that kind of way.

On the issue of automation, it opens up the door for us on some issues. It's obviously a natural part of progression and something that has evolved and we have to go to. But in and of itself, it's created another layer of skills required that we simply need to address. Because of modernization and how quickly it evolves and comes upon us, it's hard to keep pace with identifying what some of these skills areas are.

**Mr. Joe Daniel:** Thank you.

From the fisheries side, do you have any comments on the data you have and on what's available in the industry to clearly identify any skills gaps?

**Mr. John Sutcliffe:** There are some issues. To be specific, we're currently doing a study, a skills needs assessment, in relation to new training required by regulation. It's not easy to get at the data we need. Transport Canada has certain data around registered vessels. Transport Canada is setting regulations for what different operators we'll need to have in terms of different-sized vessels operating different distances from shoreline, but they don't have information on the particular fishing licences those vessels have, for example. I won't spin this out too much, but then you go to DFO to get that information and the databases don't fit. Consultants that we have working on the problem are exasperated because of the lack of mesh.

That's a relatively small but significant example. In a way, those problems pervade a lot of the labour force information we need, not only with respect to new required training but also industry-identified training and skills needs. That is the core of our mandate and what we do.

**Mr. Joe Daniel:** As one last question to both of you, why aren't your organizations actually collecting this information yourselves? It seems like you're relying on Stats Canada, on this organization, on that organization....

**Mr. John Sutcliffe:** If I could quickly reply to that, as I alluded to at the end of my brief opening presentation, we did have access to databases and surveys that provided a really terrific amount of information. In fact the sector study that I distributed is a widely sourced document by provincial and federal government agencies with an interest in human resource issues in the sector, as it is with academics. The requests are frequent for getting the updated information. What's important is using the samples and the data that we were able to collect to identify the trend, to be able to use the same samples and access the same databases, which apparently is no longer possible.

• (1615)

**The Chair:** Your time is up.

Portia, do you wish to comment on that?

**Ms. Portia MacDonald-Dewhirst:** I'd like to echo the comment of my colleague John, that the councils are in the business of ensuring accurate information about their labour in order to support the industry. Like John's council, we have also conducted our own research. But this is about ensuring efficiencies across the system. It's inefficient if Stats Canada is collecting their own information, every province is collecting their own information, and every agency is collecting their own information. We're advocating for a consolidated and considered approach where we can all benefit from that same information.

**The Chair:** That's fair enough. Thank you for that comment. Your time is up.

We'll move to Mr. Cuzner.

**Mr. Rodger Cuzner:** Thanks very much, and I thank the witnesses for being with us here today.

On things that have come up time and again through the course of the study, most presenters have made reference to mentorships and their positive impacts. I can think of no two sectors.... You know, people who work in your sector grow up in the industry, for the most part. They're mentored. It's intergenerational mentorship. It's a close and almost familial mentorship, but it's essential.

There's one thing I want to ask about the fishery. There was a very powerful statement made by Earle McCurdy in the prelude to the study. Mr. McCurdy talked about the owner-operator policy and fleet separation. He said that the absence of an owner-operator policy has brought the independent fishery sector to the brink of extinction on the Pacific coast. Young people, who are the future of coastal communities, will not be able to enter the fishery. The trend will undermine the economic future of many communities that depend on the owner-operator fishery for a stable source of jobs and investment.

We're talking about mentorship, training, skills, and that kind of stuff. Are we placing them at risk if we compromise the owner-operator policy, do you think?

**Mr. John Sutcliffe:** I believe so. It's a big and complicated issue, and there are differences between the coasts that may bear comparison for the outcomes we're interested in here. I think your study of 2005 will indicate significant differences between the coasts with respect to opportunity for the traditional form of intergenerational transfer, and the informal learning systems and skills development associated with that. That has clearly broken down on the west coast.

In spite of the more than 40% reduction in the number of people engaged in the fishery now—and this is only anecdotal, as we don't have the recent studies—the anecdotal information is strong that the labour shortage issue is most acute in the B.C. fishery. The absence of the owner-operator fleet separation policy has resulted in certain forms of concentration of fishing rights; absentee owners of fishing privileges; participants in the fishery who don't have that stake in the fishery any more; and higher costs for those who fish in terms of leasing the privileges from those who own them in order to get out there. There are some quite extraordinary stories about the halibut fishery and the cost of leasing fishing rights.

It depresses crew wages. You end up with crews that are not properly credentialed, and some significant emerging safety concerns in those fisheries.

**Mr. Rodger Cuzner:** That's a strong statement, seeing that we're losing the almost informal mentorship, or I guess family formal mentorship, or whatever.

Do you want to comment on that?

• (1620)

**Ms. Portia MacDonald-Dewhirst:** I think it's critical. Knowledge transfer is essential. We're talking about the viability of businesses. Every business in every sector faces this issue. However, it's quite poignant in the agricultural sector, for the reasons you stated. It's a critical risk for the industry at large if they don't invest in doing some knowledge transfer and understand how to best do that. That is the role of this organization, CAHRC. It is to support businesses in that endeavour. It is to take the knowledge out of one person's head and ensure that it is transferred in a meaningful way that ensures the safety and success of individuals as they proceed in their jobs.

**Mr. Rodger Cuzner:** I'd like to ask you about temporary foreign workers and their relationship with seasonal workers. As a sector, and this is just my observation from quite a distance, you guys have really matured. You sort of have that balance between temporary foreign workers and domestic workers. That has really improved over the last maybe eight or ten years.

Sixty-two percent of your employees are seasonal workers. What percentage of those would be temporary foreign workers? Maybe you could share that with me. Just give me a point, and then I'll remember the question I was going to ask.

**The Chair:** Mr. Cuzner, your time is well up, so maybe you want to formulate your question.

**Mr. Rodger Cuzner:** Do you have me on fast-forward, Mr. Chairman?

**Ms. Portia MacDonald-Dewhirst:** Your question can't be answered.

**Mr. Rodger Cuzner:** Oh, good, my question can't be answered.

**The Chair:** That's the end of it, then.

No, I'm kidding. Go ahead.

**Ms. Portia MacDonald-Dewhirst:** We don't have those figures.

**Mr. Rodger Cuzner:** Is that right?

**Ms. Portia MacDonald-Dewhirst:** We need better information-mining capabilities for the industry.

**Mr. Rodger Cuzner:** Mr. Chair, I think that might be a question someone else might want to pursue, because I think that is essential.

**The Chair:** Ms. Leitch, did you want to pursue that line of questioning?

Ask whatever you wish. It's your five minutes.

**Ms. Kellie Leitch:** Well, I think we got the answer to that question already.

Thank you very much for presenting today.

Earlier in the questioning we were talking about best practices and the issue with regard to training and the maintenance or recruitment of individuals. Can you outline very specifically the top three professions or skills your areas require where you see shortages? Give us some direction on what we should be zeroing in on and where the needs are. You've all commented on the data and how we may not have the best data. Can you tell us where we could be focusing our time and efforts? What are those top three skills in each of your fields that we should be zeroing in on?

**Mr. Mervin Wiseman:** I think there's a fairly wide variance across all commodities and all sectors as to exactly where that lies. There is, of course, the issue of low skills, and we have programs in the foreign worker program to address that. But there are medium to high skills as well. Some of the—

**Ms. Kellie Leitch:** Could I interrupt you, sir? I'm not looking for low versus high or medium versus not medium.

Is it that you need someone who can run a fish trawler? Or is it a mechanic, or is it...? I apologize. I'm an orthopedic surgeon, so I don't want to categorize people into big categories. Who do you really need?

**Mr. Mervin Wiseman:** Yes, I was getting to it, actually. It has been machinery operators, for example. The variance in the machine industry, depending on the commodity, can mean a lot of different things. In horticulture, it comes down to actually using the machinery for the picking of the crop, if you will, for the fruit growers. They'll tell you that they have a shortage of pickers. That might sound simplistic, but it's important to understand that.

In the livestock industry, there are what they call herders. Husbandry techniques are some of the areas. From the operator's standpoint, it's the issue of business management and being able to take all of the information that's coming at you today, right from making the best selection of machinery to HR decisions and financial decisions. There's a gap in the skills of farmers in terms of the enterprise owners and being able to operate from that standpoint.

**Ms. Kellie Leitch:** Thank you very much. I represent, actually, a rural riding. It's about 65% farming. Your comments sound very similar to what I'm hearing on the ground, and I appreciate that.

Mr. Sutcliffe, did you have a comment?

• (1625)

**Mr. John Sutcliffe:** Yes. I wouldn't say, by the way, that we have labour shortages in the fishing industry. I've heard no interest expressed by our members in temporary foreign workers, for example, but there is difficulty in acquiring crew.

The skill set that is most in demand—because it's a student, or sometimes a retired government worker these days, who goes fishing for six weeks when a lobster fishing area opens—is seamanship skills. If any of you are sailors, you will know that's a suite of skills that is hard to come by. Some of it is book learning, but a lot of it is practice.

Fishermen also express very strong interest in two areas, either of which may surprise you: science, and fisheries management. We are interested in becoming much more involved through the Department of Fisheries, as their resources decline, in engaging the labour force in the fishery in that kind of activity. There is a strong interest in those areas.

Finally, not unlike the agricultural sector, business management is a key new skill that fish harvesters have to have to survive these days.

**Ms. Kellie Leitch:** Along the lines of each one of the three sets you've outlined, are there best practices you'd like to provide to us? Maybe they should be the template for recruiting and maintaining people into those portions of the field.

Obviously we don't want to reinvent the wheel if there's already a great best practice that exists for making sure someone who enters into husbandry is educated in that field and stays in that field. Do you have some suggestions on best practices that we should look at?

**The Chair:** We'll conclude with those remarks. You're both entitled to make them, so go ahead.

Who's going to go first?

**Mr. Mervin Wiseman:** Well, I know in the farming industry that we have targeted some of the modern farm leaders, if you will, to give their narrative and their exposé on some of the things they do from top to bottom to manage their farms. We've taken that experience, for example, how they manage their staff, how they create incentives for their staff, whether it's wages or medical insurance or the use of the machinery for their own affairs, things like that. From the financial perspective, we have them lay out some of the best options with regard to financing through the various training institutions and some of their practices relating to the succession of their farm.

Many of the farmers out there today simply don't have children to pass their farm on to. They're not interested. The average age of a farmer today is 60 years of age, and many of them don't have these people to pass their farms on to. But they have succession plans to pass their farm on to potential clients.

**The Chair:** Okay.

Mr. Sutcliffe, a brief comment.

**Mr. John Sutcliffe:** I'm not too sure how the question applies to my sector. I think it's my own failure to understand, but....

**The Chair:** Okay. You don't have anything further to add.

Portia, go ahead.

**Ms. Portia MacDonald-Dewhirst:** I think it's a really good question.

Business owners need to learn from other business owners and we don't need to reinvent the wheel. This is an opportunity to identify best practices and share them broadly. That's the role of sector councils, to look across the nation and really understand the business the organization is in and to help support that business. But it's also to link with the necessary stakeholders in terms of government and education. Best practices do have those linkages, so that's a critical element.

**The Chair:** Thank you very much, Ms. MacDonald-Dewhirst and Mr. Sutcliffe and Mr. Wiseman, for a good presentation. Thank you for answering the questions in the candid fashion that you did.

Mr. Wiseman, you want to have a real quick conclusion. Go ahead.

**Mr. Mervin Wiseman:** Very quickly, in terms of the crossover between fisheries and farming in general, I want to point out that the aquaculture industry has membership in the Canadian agriculture sector council. They actually sit at our table, so we do represent the HR issues in the aquaculture industry.

**The Chair:** All right, thank you.

With that, we'll suspend for five minutes and then recommence the second half of the meeting.

• (1625)

(Pause)

• (1635)

**The Chair:** We'll call the meeting to order.

We're going to adjourn about ten minutes early to deal with some committee business, so we'll get right to it.

The first presenter will be the Canadian Federation of Independent Business, then the Canadian Manufacturers and Exporters, and then the Canadian Chamber of Commerce. After everyone's presented, we'll open it up to some questions and answers.

We'll start with you, Mr. Kelly. Go ahead.

**Mr. Daniel Kelly (Senior Vice-President, Legislative Affairs, Canadian Federation of Independent Business):** This is a five-minute block, I'm assuming.

**The Chair:** Yes.

**Mr. Daniel Kelly:** Very good.

Thanks very much for allowing us to be here today. We're thrilled to talk about a subject that is hot in the minds of small and medium-sized business owners from coast to coast: the shortage of skills and the increasing shortage of labour.

We've been on this issue for a number of years now—certainly it was peaking right before the recession—where small businesses across Canada wanted to talk to us about precious little else other than the problems they were having in finding, recruiting, and keeping staff. That obviously took a bit of a dip during the recession, but I note with interest that during the worst of the recession 40% of small and medium-sized businesses continued to say they had struggles finding the people they needed to put their products and services to market.

That is pretty compelling evidence, because while of course the problem of unemployment during the recession was significant and still is in certain parts of the country, prior to the recession we started to turn a great deal of attention to skills and labour shortages. That did take a necessary diversion, but I'm hoping we can get back on track, because of course any cursory look at Canada's demographic suggests that this problem is going to be with us for a great number of years to come.

I've put a deck in front of you today that gives you a bit of an overview of some recent data from CFIB. Some of it is a little older. When we asked our members what their main business constraints were after the sluggish domestic demand for their products and services, the shortage of skilled labour was number two. The shortage of unskilled and semi-skilled labour was also increasingly growing as an item of concern to small and medium-sized firms. As you see in the fourth graph that I've provided to you, that shortage of skilled labour is growing.

As we often say when we're asked about skilled labour, more and more small businesses are saying that skilled labour includes people who will show up to work, people who will work a full week without disappearing. Some of these are the skills small and medium-sized businesses are looking for.

The good news, when we look at employment plans for small and medium-sized firms, is that we've started to see a bit of a gap between those firms looking to hire and those firms looking to downsize. That is the first time we've seen that in a while. It's been bobbing up and down a bit as we come out of the recession, but we're starting to notice a significantly larger number of our members planning to hire than planning to downsize, which again is good news for the economy, good news on many fronts, but can be bad news when we're looking at skilled labour and other labour shortages.

Overall, 46% of our members across Canada say that the shortage of qualified labour is an issue to them. Broken down by province, I want to note that this is not just a western Canadian problem. It is highest at the moment among our members in Saskatchewan. Two-thirds of our members in Saskatchewan say they're struggling to find workers. The second-highest observation of that concern is in Newfoundland and Labrador. In Newfoundland and Labrador, 56% of our members say it is a concern. Quebec and Nova Scotia are right in the middle of the pack on that list. In New Brunswick, P.E.I., and even Ontario and B.C., there's a little bit less concern there, but it's still a top issue for many firms.

When we ask about labour shortages, what do small businesses need most? A lot of time and attention, particularly attention to the temporary foreign worker program and the programs for skilled

immigrants, has focused on highly skilled individuals and bringing them to Canada to address skill shortages. But more than anything else our members tell us they are increasingly finding the toughest time in recruiting people for the national occupational classification categories C and D, those jobs that are more entry-level in orientation, jobs that perhaps require just on-the-job training or perhaps just a high school diploma or occupation-specific training. That has a lot to do, of course, with the fact that there are still a large number of small and medium-sized businesses in rural communities. A lot of rural communities have lost a great deal of their youth, and therefore the entry-level positions are going begging.

• (1640)

This is a key graph for us done prior to the recession, but chart number nine talks about the gap between the people who the immigration system and the temporary foreign worker program are bringing in relative to the needs of business. What it shows is that, generally speaking, the permanent immigration system brings in only those at the highest level on the skills, education, and job experience ladder, and yet the jobs that are in highest demand among small and medium-sized firms are actually at the entry level, at the semi-skilled level, and in the trades.

The permanent immigration system does a terrible job of matching the needs of Canadian small and medium-sized businesses. A much better job is done by the temporary foreign worker system in Canada, but even there a lot of the recent changes that are positive are applicable only to higher-skilled immigrants. For those in the service sector, such as the hoteliers, the restaurants, and often for those in the resource sector, the changes to the temporary foreign worker program that Minister Kenney has made—the very good changes he has made—do not apply, and it is something we would like to see happen.

The government has recently made a bunch of employment insurance changes. We're very optimistic about the changes directionally. On the comments of Minister Flaherty, the “no bad job” comment resonates extremely well with small and medium-sized businesses. It certainly is the language they're using themselves.

Again, the EI changes directionally are very positive. I want to note that 22% of our members tell us that they feel they are competing for workers against the employment insurance system, and 16% of our members say they have been asked by an employee to lay them off so they can collect employment insurance benefits. This is very disturbing information—things that freak us out as employers—and is one of the reasons why we need to make substantive changes to employment insurance.

The changes that have been proposed are very small. Directionally, they're headed the right way. They are certainly not draconian changes by any means whatsoever, but the real proof is on implementation, and this is where we are nervous. If, on EI right now—

●(1645)

**The Chair:** Mr. Kelly, just so you know, we had a discussion in our previous panel, and I don't mean us to get into a study on proposed EI changes and so on. Obviously they will have some impact. To the extent that you want to make some general comments about how they may impact labour shortages either one way or the other—we heard the opposite argument earlier—I think we're okay with that, but I don't want this to get into a study of the proposed EI changes, which are not yet set out in the regulations, although they have been much talked about. That's not the essence of this study, so you can keep that in mind as you go forward.

**Mr. Daniel Kelly:** Very good—I'm happy to do that.

My last point about employment insurance is that EI policies right now suggest that you're not allowed to get benefits if you are fired or if you're laid off, but everybody knows that you go into the EI office with a good sob story about how the employer was mean to you and you'll have benefits reinstated in about two minutes. That's the real test for these changes.

The other main policy—

**The Chair:** If you could get off EI and to the other—

**Mr. Daniel Kelly:** Yes. That was my last comment.

Moving on to some of the other major policy levers that the federal government has in its hands, there's the training side of the equation. We're very pleased with the EI hiring credit. We think it's a very good means of doing that.

One of the things that was most helpful to our members during the recession was the EI premium freeze, but we've made a number of other suggestions as to what the federal government can do to try to address skills and labour shortages. It's not an easy challenge. The main policies on labour, such as the temporary foreign worker program, the skilled immigrant program, employment insurance, and training tax credits of some nature, are some of the things that our members say will help them address the problem.

But it is an issue that is great and gripping for our members right now. It is being experienced across Canada. For small and medium-sized firms, it is the trades and the semi-skilled and often the entry-level positions that are most needed.

I'm happy to take any questions after this.

**The Chair:** Thank you.

We'll go to Mr. Wilson. Go ahead.

**Mr. Mathew Wilson (Vice-President, National Policy, Canadian Manufacturers and Exporters):** Thank you very much, Mr. Chair. Thanks for the invitation to be here today.

As the CFIB and likely Perrin and the Chamber of Commerce will say, this is a critical issue for our members.

We believe we're at a critical point in our economic development. Employee skills and the ability of employers to attract and retain skilled workers will be central to our economic success over the next decade. CME has projected there could be more than 500 major projects across Canada, projects such as mining, oil and gas extraction, energy development, and shipbuilding, which represent over half a trillion dollars in new investments over the next decade. However, Canada must do more than simply extract and export these resources to take advantage of this opportunity. Canada's opportunity is to develop a world-class manufacturing, technology, and services supply chain for these natural resource projects and to export this expertise globally.

However, today there are already hundreds of thousands of unfilled jobs across Canada in all sectors of the economy. The inability of companies to match available jobs with available workers has a huge impact on their ability to innovate and improve competitiveness and to compete globally. Too often, applicants for available jobs do not have the necessary skill requirements, meaning jobs go unfilled, projects are not started, and Canada's economy suffers. As major projects continue to be developed, the need for skilled and unskilled workers will only intensify in those sectors as well as in related sectors in manufacturing and exporting.

To help better understand these challenges, CME is currently undergoing a survey of industry to determine the major concerns and priorities for companies today and in the near future. While the survey is still being conducted, the early results are very concerning. When asked about their primary concerns, businesses told us that the increased competition companies face in their primary markets was their top concern. Their second-largest concern was the availability of labour, both skilled and unskilled, and the impact that it will have on their operations. When asked how the labour market has changed over the past three years, half of all respondents said that it had worsened. Most concerning of all, 90% of respondents to date have indicated that they would have to consider moving their production to other jurisdictions in order to fill their labour needs.

There is no silver bullet to fix these labour challenges. We must all work together.

From an industry perspective, there are several actions being taken. Companies are increasing their training to improve the skills of existing workers and to better train and integrate new employees. They're also investing in technology in an effort to increase productivity and working with post-secondary institutions to ensure that graduates coming from these schools have the skills necessary to immediately enter the workforce. Where institutions do not exist, companies are actually creating these institutions to help with their training needs.

To support industry efforts, CME itself recently launched an industrial information and job-matching service called iCME.ca. In its first month of operation, we have had over 250 job postings and have matched dozens of qualified employees with existing jobs. Our goal is to strengthen this service by tying it into the EI system so that EI claimants have access to the available jobs in our network as well as into the immigration system so that foreign-trained workers can be pre-selected for available jobs and quickly enter the workforce.

While these are all positive steps, much more must be done. Canada must become a world leader in creating a truly global, flexible, and modern workforce that supports multinational businesses as well as local operations and smaller companies in all sectors of the economy.

Some of the recent changes announced by the government, including the changes to the temporary foreign worker program and the EI system, are a good start; however, we believe there should be much more done to create a modern workforce and supportive policy framework, including creating a partnership between the federal and provincial governments to introduce employee training tax credits. Tax credits exist to support new hires, but not to support upgrading skills of existing employees. We need an aboriginal workplace inclusion strategy. The foreign-worker credential system should be streamlined and simplified to maximize labour mobility, with the focus being placed on worker skills rather than academic credentials alone. Temporary foreign workers should be allowed to enter Canada with minimal paperwork and delay, and qualified companies should be provided waivers from the bureaucratic processes that delay entrance today. Employees should be able to move freely between Canadian provinces and between Canada and the United States. The pan-Canadian framework for the assessment and recognition of foreign qualifications should be expanded to include skills of those such as construction millwrights, industrial mechanics, structural metal fabricators, welders, and steamfitters. Finally, in the immigration system, changes must go further to be much more efficient in selecting qualified personnel and their family to meet industry needs and to streamline them into the immigration process itself.

• (1650)

We believe these policy changes will help create a much more flexible and responsive labour pool that will allow Canada's economy to grow with the economic opportunities before us.

Thank you very much. I look forward to the discussion.

**The Chair:** Thank you very much, Mr. Wilson.

Now we'll hear from the Canadian Chamber of Commerce and Mr. Perrin Beatty himself. Go ahead, sir.

**Hon. Perrin Beatty (President and Chief Executive Officer, Canadian Chamber of Commerce):** Thank you very much, Mr. Chairman.

I'm very pleased to be here today. Your committee is tackling one of the single most pressing issues for members of the Canadian chamber and for businesses across the country, which is the skills and labour shortages that are affecting Canada's competitiveness.

Last year we went out to our network of 420 chambers and boards of trade across the country and asked members, as well as our corporate members, what is the single most important issue we

should be focusing on in 2012? The issue of skills was the one that was named time after time.

This is a sprawling issue, and it's extremely complex. Canada will need a myriad of tools to address it. Today, given the tightness of time, I want to talk particularly about just one or two of those critical tools.

The most important message I have for you is this: as a country, Canada must be more aggressive in its immigration efforts, and we must move now.

[*Translation*]

Let me repeat that. Canada must be more aggressive in its immigration efforts. We must move now. We are in competition with many other countries in order to attract the most talented people in the world. We have very little time to deal with labour shortages and the lack of skilled workers. To tell you the truth, I wonder if we have not already missed the boat.

• (1655)

[*English*]

We must move forcefully and attract more of the world to help us build our country now.

Over the years immigration policy has been designed to give Canadians the advantage before immigrants, to avoid disrupting the Canadian workforce. Even today Ottawa wants more EI claimants to consider positions before they're offered to foreign workers. The government wants unemployed workers to be retrained, which is laudable but takes time. However, even if we do a better job of training and tapping into domestic workers, our aging society means we must also rely on immigration.

Chambers across the country are telling me that they're looking at immigration to help them solve the labour shortages. In Alberta recently the Red Deer Chamber of Commerce highlighted how they're turning to Irish immigrants and working with local businesses to recruit new workers. In Saskatchewan I heard a similar story from the Regina Chamber of Commerce. When committee members were in Halifax last month, you also heard that businesses are seeking more immigrants and higher immigration levels.

Time is not on our side. The fact is that Canadian businesses need more employees more quickly than in the past. Last month the government launched important changes to accelerate the processing of requests for temporary foreign workers. Now we need to ensure the right numbers of newcomers can be attracted across all programs. We need a renewed recruiting push by government and private industry. There has never been a better time to attract people to Canada, and businesses simply can't wait.

Training can and will also play a vital role, but we need a new mindset. In Canada when students graduate from high school, college, or university, people often feel that their training or education is done. This is not a sustainable approach for the jobs of the future. Continuous learning cannot be seen as a novelty; it must become part of everyone's career. The world has changed and we need to change with it.

In many businesses training is the last budget item—if it makes the budget—and is often the first item to be cut during tough times. However, training should be seen not as a cost but as an investment that brings significant returns. We need to boost tax supports and information-sharing to ensure continuous learning is part of working life.

The Canadian chamber is currently undertaking our largest consultation with our membership on this single issue. We've organized a dozen round tables with members and others across the country. We've mobilized our network to lead the conversation on how to address this challenge. We're asking for best practices, recommendations, and potential solutions. Later this fall we'll share what we've heard with our members and the public.

Canada's skills and labour shortages are endemic. They constitute a shared national challenge. None of us is solely responsible for this crisis, yet everyone shares the same ambition to address it. As a very first step we need to set goals, one of the first of which must be to open our doors wider to people willing to bring their ideas and talents to Canada to help us build a more prosperous country.

Thank you, Mr. Chairman.

**The Chair:** Thank you, gentlemen, for those presentations.

We'll start the first round with Ms. Charlton.

**Ms. Chris Charlton (Hamilton Mountain, NDP):** Thank you very much, Chair.

Thank you very much to all three of you for coming, and for making your presentations here today.

If you were here for the earlier session you probably noticed that the chair is very lenient with witnesses but not so much with committee members, so I'm going to ask all of my questions at the front end and I know he'll give you lots of time to answer, if that's all right.

My first question would be to you, Mr. Kelly. I am really struck by one of the slides in your deck in which you outlined the labour shortages, that it's jobs that require on-the-job training that actually have the highest vacancy rate, I suppose, if I can put it that way. So my question to you would be, do you know what the average wages are for jobs that require on-the-job training, either regionally or nationally?

Mr. Wilson, I really appreciated your comments about training and I wonder whether you could elaborate for me on what percentage of your members you think actually have apprenticeship programs that are currently running, if you know that.

You also made a really interesting comment about aboriginal participation. I wonder if you have some thoughts about specific suggestions to us, as a committee, about labour market participation

by all kinds of under-represented groups in the workplace, and whether there is something you particularly want to highlight for us.

Mr. Beatty, I really appreciate your comments about the immigration policies and wonder whether you could just talk a little bit. To me, there is a big difference between bringing in temporary foreign workers and re-examining our immigration policy, because the latter, to me, also includes things like making sure that families have the ability to come over and that Canada becomes an attractive new home for people we want to attract as workers. I wonder whether you were using the two synonymously or not, when you talked about changes to the immigration policy.

Thank you very much.

• (1700)

**The Chair:** There are a lot of questions there.

Who is going to start off? Mr. Kelly, and then we'll work our way through.

**Mr. Daniel Kelly:** On the question of whether there is an analysis of wage levels for those who are in that category where it's on-the-job training, we do have some data. I don't have it in this deck. I would have to do a little bit of investigation as to what it is, but I will say from the outset that wage levels in small and medium-sized businesses are certainly more modest than they are in the larger the firms. Any of the studies we've seen show that on most measures employees are more satisfied with their working lives on a lot of the soft measures that go into employment, but on the hard measures—the salaries and benefits—they are more modest at the smaller level within the wage category.

For those who are looking for entry-level workers, often those jobs do pay within 10% to 20% of minimum wage. The majority of members do not pay minimum wage, but many are not dramatically more when you are looking for that entry-level position. So wages, absolutely, play a role in this equation.

**Ms. Chris Charlton:** Yes, that's exactly what I was wondering, whether the wages actually had a relationship to the shortage.

**Mr. Daniel Kelly:** They can, yes.

**Ms. Chris Charlton:** Thank you.

Mr. Wilson.

**Mr. Mathew Wilson:** There are two parts to this. The first one I'll take on is training, and it's a big issue. There are two parts to the training. One is just overall training. Companies today.... From the questionnaire that we're doing of our members right now, over 60% of respondents spend in the neighbourhood of 3.5% to 5% of their annual sales right now on training. So it actually is a fairly significant portion to training. That could include everything from health and safety training to skills on the job, technical training, to language training. So it's a variety of training. But a lot of training does go on today.

In terms of the part of it on apprenticeships, a lot of companies—and most companies, especially in smaller communities outside of the major centres—are directly involved with community colleges to work on apprenticeship programs, so it's a big part of their ability to attract new workers into the workforce. The problem tends to be the length of time it takes to get an apprentice approved for on the job. It can be years in some cases. It's not good for the employee or the company itself, so I know there are some things that need to be done there to improve and streamline the apprenticeship programs.

On the last piece, on the aboriginal or other under-represented pools of labour being put in the labour force, the reason I mentioned the aboriginal population is because it has a fairly significant unemployment rate; in fact, it's quite a massive unemployment rate, especially in males between 18 and 35, which is really the hardest part of the workforce in order to attract people in.

Our organization in Manitoba, for example, runs an aboriginal inclusion program with the first nations community across Manitoba where they actually do educational information sessions to make sure that aboriginals are aware of the job opportunities in places like aerospace and bus manufacturing and some really high-tech things, and do everything they can to bring them in. It still is very difficult to bring enough of them in to fill the needs.

I can think of one member company that even sits in the middle of an aboriginal community that needs to build another plant to meet the demands of the oil sands; however, even with the 25% unemployment rate in the local aboriginal community, they still can't get enough skilled workers or workers period to be able to build. So it's a big problem, and a lot needs to be done in that area.

**The Chair:** Thank you.

Now we'll have Mr. Beatty answer this question. The time is up, but we'll let you take your time and give your answer.

**Hon. Perrin Beatty:** Ms. Charlton, thank you very much for the question.

We see the temporary workers program and permanent immigration as two distinct but very important tools to try to address the skills needs in Canada. Obviously there are many instances when somebody may be needed for a specified period of time and where those skills are needed. If you look at temporary farm workers, for example, coming in to help with the harvest, that's an example of where it makes sense to take people for a specified period of time and allow them to go home afterward.

Increasingly, though, the concern among Canadian employers is that we are going to be facing a chronic shortage of skills in Canada and we should be looking at how we address that on a more permanent basis. How do we draw to Canada the best and the brightest in the world and have them help us build this country?

So yes, we consider temporary workers to be an important stopgap, but over the longer term we have to look at absolute levels of immigration and the nature of immigration that we have to Canada with a view to ensuring that we have the skills we need for the future.

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

Mr. Shory, go ahead.

•(1705)

**Mr. Devinder Shory (Calgary Northeast, CPC):** Thank you, Mr. Chair.

Thank you to the witnesses.

It was an excellent presentation. I don't think I could agree with you more. I'm from Alberta, from Calgary, and we have a shortage of skilled and general labour not only in the oil sands industry. Let me share with you that in my own law office, we have been trying to find someone who is able to help us with the skills we need, as an assistant even, and it's been months and months but we're not getting anyone.

As Ms. Charlton did, I will just throw out my questions and ask you to please help us and guide us as we deal with all these issues.

Number one, how do we meet the need for skilled labour for businesses? And how do we encourage workers to seek employment in areas where they are needed the most?

Then I would like to hear from you on whether, in your opinion, providing more timely and precise information to job seekers on the skills they need to find meaningful employment can help.

Also a concern is that we have been studying shortages, and on the other hand we are talking temporary foreign workers. Now, I have noticed that in some places we have a category of people filing EI claims in the same area that businesses are getting positive LMOs. How do we connect the dots in this gap?

**Mr. Daniel Kelly:** Since my light is on here, I'll go ahead. I'll address just a couple of the questions. I won't address them all; otherwise, there would be no time left.

On the information for job seekers, I struggle with this one a little bit, in that it is very hard for governments to know—it's very hard for businesses to know—what jobs they will need in the months and years ahead. We can tell what jobs are available now. We can give a sense of where things may head. But labour market information is very, very difficult to do, and government's ability to do it is terrible.

I'm not convinced that giant investments in improving this will accomplish a great deal, and I caution us in terms of viewing that as a solution. It's one of the reasons I'm a little troubled about one of the recommendations that the government looks like it's making with respect to pumping out information about available jobs when somebody's applying for a labour market opinion—which is bridging to your next question.

If we put in a bunch of additional processes for employers to take before an LMO is approved, I'm not convinced that this will necessarily accomplish very much. The folks in that community know where the jobs are. I don't really believe it is a struggle that we have these phantom jobs, and if employers or governments just did a better job of flagging them for those who claim they're looking for work, this would somehow be the miracle that is necessary. I do think we need to give a gentle push to get people back into the workforce who perhaps are on EI at the moment.

Papering the business community even more before they're approved to get a TFW is not, I'm hoping, the direction we go in. If it is, it would create trouble for us. One thing that I think needs to be addressed is that if there is somebody in the local community who is willing and able to work, and interested in that job, there is no way an employer is going to say they'd rather have a temporary foreign worker and go through that hassle and process. It takes months, it takes money, and it is a struggle. There is an inherent bias towards locally available workers. We don't need extra steps to prevent that.

**The Chair:** Thank you.

**Mr. Devinder Shory:** Maybe Mr. Wilson and Mr. Beatty would also like to comment.

**Mr. Mathew Wilson:** Sure. I will try to keep my comments short.

I agree with everything that Dan just said on that, but I'll take on the matching side of things, because I made some comments about that when I spoke.

We launched the iCME.ca website and portal. What we're trying to do with CIC and HRSDC right now is to link up the available jobs that our network and members have across Canada to the skills of immigrants as well as people on EI, and then allow people to move to match those job skills. We're in the process of developing that right now. That kind of behind-the-scenes linkage is going to be critical so there can be almost instantaneous job-matching. Someone with certain pre-qualified skills can get into the system, and an employer can draw from the available pool. We're trying to set that up to help that along.

• (1710)

**The Chair:** Mr. Beatty, could we have your comments with respect to this question?

**Hon. Perrin Beatty:** To keep things as tight as possible, I will focus my comments on the issue of information.

I fully agree that we've done a terrible job in terms of projecting what the labour force needs are going to be in the future, but in my view that's not an argument for downing tools. It's an argument for us to redouble our efforts and to try to project more.

I'm also a university chancellor. I can tell you that for educational institutions, which have to make their plans well in advance, we need to do a much better job than we're doing today, to have a dialogue among employers, governments, and educators in terms of planning for what sorts of skills will be necessary. We need to do a much better job as well in terms of informing young Canadians about the sorts of opportunities there will be, so that as they're planning their careers and their training, they have a sense of where the opportunities are.

There's no disagreement at all about how badly we've done it in the past. The only disagreement may be over whether it's possible for us to do it better. I believe we have no choice. We have to do it better.

**The Chair:** The time is certainly up.

We'll move to Madame Boutin-Sweet.

[*Translation*]

**Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP):** Thank you, Mr. Chair.

Thank you, gentlemen.

In question period today, the minister suggested putting job seekers and employers in touch with each other. So let me give you a hypothetical situation. Tell me what you think.

Take, for example, a town with a plant that is about to close its doors. The plant has a number of employees. In the same town, another plant needs workers. How would you feel about an arrangement between the two plants and the federal government? The plant planning to close its doors would let its employees go for training to the other plant, say, two days per month, with the federal government possibly providing a partial subsidy.

The first advantage of the arrangement would be that the plant planning to close its doors would not lose all its employees as they went off to look for other jobs right away.

The second advantage would be that the other plant, the one needing people, could have access to workers because it would be training them on the spot. So it would cost less in employment insurance benefits, which the employees would not need. But financial help from the government would still be available.

What do you think of an idea like that?

[*English*]

**The Chair:** It's a hypothetical question. It's up to you whether you wish to answer it.

**Mr. Daniel Kelly:** I don't think I'd have any conceptual problem with the suggestion that has just been made. To a degree it sounds similar to what already exists with the work-sharing program. That was something our members did say was quite helpful to them during the recession. There was the ability to downsize a little and have EI supplement wages during the recession and then allow them to pull those people back.

Again, it's not a perfect analogy, but that was a program our members did favour. It was a way of integrating uses of employment insurance while people were still working, which I think is at the heart of what you're asking. I can't see any particular reason to say that it would be a bad idea. Again, the proof would be in testing it, and I don't think that would be something we'd oppose.

**Mr. Mathew Wilson:** That's good enough for me, for the time.

**Hon. Perrin Beatty:** I have had many years of political training. I was told never to answer a hypothetical question, but having done that and having forgotten that lesson, I'll be Maoist and say that we should allow a thousand flowers to bloom. If it's a matter of experimenting and seeing whether an experimental program would work, why wouldn't we experiment?

Is it the solution to our problem? No, it isn't. Obviously the problem is very complex, but any tool we can use effectively that's cost-efficient we should be open to using and have the flexibility to experiment. And if it works, why not use it elsewhere?

[*Translation*]

**Ms. Marjolaine Boutin-Sweet:** Thank you.

In Quebec, we have a program whereby employers have to set aside 1% of their payroll for training. A number of you talked about continuing education. Do you think that the feds could or should get involved in something like that?

• (1715)

[*English*]

**Mr. Daniel Kelly:** I can tell you for certain that for small businesses the idea of a training tax, which is the program you're specifically citing, is something they oppose to the bottoms of their souls. The idea of taxing training and then having a credit that you could apply against if you demonstrate to the government that you've followed steps A, B, C, D, E, F, and G really cuts out small and medium-sized businesses.

Small firms do not train, for the most part, formally. There is an increase in formal training among small and medium-sized workplaces, but primarily training in SMEs is done informally. Governments don't understand informal training, they can't measure informal training. Therefore, what happens for small firms is they end up just paying the tax, and then do not receive any of the potential credits that are involved.

It essentially means they have less money available to provide training in the workforce because they're paying it out in tax. That's the reason the Government of Quebec actually exempted small and medium-sized firms from this overall, after years and years of lobbying from my organization.

[*Translation*]

**Ms. Marjolaine Boutin-Sweet:** I was going to add that the idea would not apply to small businesses, but to those of a certain size.

[*English*]

**Mr. Daniel Kelly:** Right.

**Mr. Mathew Wilson:** Our membership, companies such as Bombardier, BRP, Molson, and others in Quebec would spend well above the 1% threshold anyway, so it's not a direct business impact. The problem I have is the prescriptive nature that these regulations tend to come with. It doesn't allow for any flexibility in any different business setting.

Anything that would say here's a 1% tax, but you have to follow these specific rules, and a whole bureaucracy gets built up around it, is not going to be helpful; you're going to end up spending more. I'd rather see a 1% tax credit given across the board to companies who do training however they want to do it.

**The Chair:** The time is up, and we'll move to the next—

**Hon. Perrin Beatty:** I'd like to make a comment.

**The Chair:** Go ahead.

**Hon. Perrin Beatty:** Such a program, essentially for the reasons that were mentioned.... Even if we were to exempt SMEs, it would

be less unfair, less burdensome. But large, progressive employers today often spend well in excess of the 1% in terms of employee training. The smartest employers invest. We need to do more of it, and they'll be driven to do that by good and sufficient business reasons.

**The Chair:** Okay. Thank you for that comment.

Mr. Warkentin, go ahead.

**Mr. Chris Warkentin (Peace River, CPC):** Thank you, Mr. Chair.

It is a privilege to be a substitute in this committee for today. It's dealing with subject material that I know well. I come from Grande Prairie, Alberta, and we are facing one of the largest labour shortages in the country, next to my counterpart across in Fort McMurray. We're probably second to that. So I know generally what this means on the ground. I hear from folks on both sides, employers and employees, who have had to deal with the issues surrounding temporary foreign workers—the program specifically, but also the impacts on the community, in addition to the struggles in driving up inflationary costs as a result of a labour shortage.

I think we are in some ways a microcosm of what Canada might look like in the next number of years as we continue to see labour shortages increasing across the country.

To some extent I find some of this discussion a little academic, inasmuch as I know first-hand that while we say things like “no employer would ever look to a temporary foreign worker before a local person”, that's not always the case. There are some disincentives to work in this country, and I think we have seen some of those really highlighted in my community.

Mr. Kelly, I know you do a fair bit of research when it comes to dealing with employers. Employers on the ground know some of these things. I'm wondering if you've done any research in terms of really drilling down to some of those disincentives to work that have been identified by local employers and what the outcomes of those discussions might have been. Have you ever done any research with regard to that?

**Mr. Daniel Kelly:** We have, and some of the disincentives are the ones that are the thing I'm not supposed to talk about—employment insurance—

**The Chair:** You can in the sense that obviously there will be some connection to job shortages or labour skills gaps. But that's not the principal point. We're not going to be studying the proposed EI changes. They're not yet in the regulations. But you can make those general comments and those connections to the point that he's making in a general way.

**Mr. Daniel Kelly:** Terrific.

• (1720)

**Mr. Chris Warkentin:** Maybe I should phrase my question differently.

**The Chair:** Why don't you just make your comments?

**Mr. Daniel Kelly:** EI definitely does serve, as do many other support programs, as a disincentive to getting people back to work. If there are other forms of compensation that become too easy to get on or stay on and that replace too high a percentage of the overall income.... We have to remember that there is a group of Canadians out there who don't really want to work. I know that it's controversial to say, but I have to tell you that if we create too many avenues for folks to avoid working, they will take them. That's not everybody. I think people who are unemployed once or twice in their lives have a difficult time imagining that there are people who will do just about anything to not work. But they do exist, and unfortunately many of our members cite that as a difficult challenge for them to get over.

**Mr. Mathew Wilson:** I won't comment on that specifically, but I'd like to add to that to say that I don't think the biggest challenge you have is necessarily encouraging people in Alberta to work. I think your labour market participation is probably higher in Alberta than it is anywhere else in Canada. The challenge you're going to face is that you don't have a labour pool in Newfoundland and the rest of Atlantic Canada to draw from any more, as you did the last time the resource boom happened. I'd be much more concerned about the ability of the economy to keep growing and about where you're going to find the supply of labour in the long term.

**The Chair:** Do you have a comment?

**Hon. Perrin Beatty:** Yes.

I spoke to the Alberta Chambers of Commerce on Thursday. I had a chance to meet with representatives from all across the province. You're facing a chronic, permanent, growing shortage of labour. It's going to require significant in-migration. It's going to require improvement in terms of skills. It's going to require investment by business and new technologies that will make workers more productive. Obviously you have to look at other programs as well.

One area I commend the government for looking at is the removal of disincentives for people who take, for example, part-time work. Too often we penalize people who've wanted to go to work and who've wanted to make a contribution. We're moving in the right direction by removing some of those penalties.

**The Chair:** You have 20 seconds left, so if you want to make a comment, you can. But if not, this would be a good place to stop.

**Mr. Chris Warkentin:** Thank you, Mr. Chair. I probably should leave it there, because if we open another conversation, it's probably going to take in excess of that.

**The Chair:** We'll move to Mr. Simms, for five minutes.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-  
sor, Lib.):** It's nice to hear Mr. Beatty talk about the "working while on claim" program and the best 14 weeks program, which we started in 2005. Those mechanisms are not just about social assistance. They are also about economic development. Usually people just go crazy if I actually talk about economic development and employment insurance in the same line. Actually, Mr. Wilson touched on it earlier when he talked about the backbone of an economy.

I'll use one example, which is in my riding, in Bonavista North, which is based around a Beothic fishery that is struggling to find itself on a year-round basis. It wants to be, but the problem is that the world market in seafood now is dictated by.... That's the best way I can explain it. It doesn't go the full year. What happens is that the

companies that live from the employment created by the fish plant are the ones operating longer. Therefore, they are forced from the fish plant over to the other place. It's culinary. It can happen that way.

Some of the logic just does not apply here. It's hard for these smaller communities to stay in the game. If you blindly go into what the government's proposing right now, a black and white situation.... In other words, if you've applied for EI more than twice, and I can guarantee you that 99% of the workforce there has done this—

**The Chair:** We have a point of order.

**Mr. Phil McColeman:** Point of order, Chair.

My interpretation of your comments earlier was that you were going to allow latitude but that you were going to stop it at a certain point if we had hypotheticals about this coming into place or that coming into place. I'd appreciate your giving us your ruling on this kind of questioning.

**Mr. Scott Simms:** I'm new.

**Voices:** Oh, oh!

**The Chair:** That excuse has a certain amount....

The point of the matter is that there have been comments made back and forth, on both sides, indicating that any changes to EI, which haven't yet been made official in the regulations but which you've heard talked about, will or could have positive or negative impacts. In that sense, I've allowed the discussion to take place. But I don't mean to get into the specifics of having a look at the proposed EI changes and what they might be, because they're still in the discussion stages. So I'd like you to limit your questions to how the proposed changes, if you want to call them that in the discussion, might impact on labour shortages, and just that narrow area. I know that it's hard to contain. But I don't mean to get into a discussion of EI, because that's not what this committee is doing, although it does have an impact. Keep that in mind.

Let's hear your question again, and I'll decide if it's out of order or not. Go ahead and put your question.

• (1725)

**Mr. Scott Simms:** Okay. I don't know.... This is the human resources committee, right? No offence....

**The Chair:** It is, but we're not studying the EI proposed changes. We're talking about labour shortages and how we might deal with that area. EI may have an impact.

It has been allowed so far to have a general discussion about how it might impact it, but we're not getting into a nuanced discussion about the changes to the EI system.

So go ahead and ask your question, and I'll rule it in order or out of order.

**Mr. Scott Simms:** Okay.

**The Chair:** Repeat your question.

**Mr. Scott Simms:** Okay. We almost need a third translation for politicians on what exactly we're doing.

Nonetheless, I don't mean to be rude about it, but I wanted to go back to that for one moment, and I think I can. Stop me if I cannot.

The labour shortages are going to be that much more acute in these areas if, by putting policy in place that cuts people off at the very core in a short period of time.... You alluded to that. Can I just get you to expand on this? Because I just find that this is very difficult for us without any other incentives being brought forward.

I can briefly touch on one, if I may. I've always been a big fan of having a skill set inventory for areas of rural Canada whereby companies can actually access information about people with certain skills, but without this stuff, and all you have is going after the repeat users.... It's going to be very difficult. These communities either have to survive on this fish plant or that's it—it's game over.

**Mr. Mathew Wilson:** I'm not sure what I'm allowed to answer here either—

**Mr. Scott Simms:** Nor am I. I'm not even sure what to ask.

**Voices:** Oh, oh!

**Mr. Mathew Wilson:** Let me just.... I come from northeastern Ontario, from a logging community that relies a lot on seasonal workers. There's a certain skill set to logging. Everyone probably thinks it's very low-skilled, but there's a certain skill set to logging, just like there would be for fishing or anything else.

Those companies rely on the workers and typically rely on them through the winter months when it's cold and they can go across lakes and get the logs out. So I understand where you're coming from in terms of the need from an economic standpoint to have that pool of labour available year-round to make sure it's there in the wintertime. I certainly understand the need for that.

I don't know how much further I'm allowed to go on this, but there is certainly an economic argument for having that pool of labour available year-round, even for the seasonal workers.

**The Chair:** Okay. Your time is up.

Mr. Beatty, did you wish to make a comment? Go ahead.

**Hon. Perrin Beatty:** I'd just like to add a comment, Mr. Chairman.

I understand the concerns. Having represented a rural constituency in Parliament, I understand the concerns of ensuring both that you deal with individuals fairly and that you're responsive to needs of industries and communities. The fundamental question here, though, is whether this an insurance program or not. Or is it a social support program or an industrial subsidy program?

Now, I believe that it should be returned to its original purpose, and that's as an insurance program for people who, due to no fault of their own, are unable to find work. If the government in its wisdom believes that industrial subsidies are necessary or desirable, or that other social subsidies are necessary or desirable, that should be handled outside of the EI program, in my view, and it should be done in a way that is transparent and open, and where you're not asking working Canadians and other companies that are making contributions to an insurance program to subsidize the program to be used for something for which it was never designed.

**The Chair:** I think the discussion we've had brought out both of those points quite well. I think we'll leave it at that.

We thank you very much for your presentations.

**Hon. Perrin Beatty:** Thank you, Mr. Chairman.

**The Chair:** We will suspend for a few moments to allow you to leave.

Then, with respect to the committee, we have a couple of committee matters to deal with.

*[Proceedings continue in camera]*

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