



House of Commons
CANADA

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

HUMA • NUMBER 005 • 1st SESSION • 39th PARLIAMENT

EVIDENCE

Tuesday, June 6, 2006

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Chair

Mr. Dean Allison

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Tuesday, June 6, 2006

• (0905)

[English]

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

Pursuant to Standing Order 81(4), the Standing Committee on Human Resources, Social Development, and Status of Persons with Disabilities will hear today from the Honourable Diane Finley, Minister of Human Resources and Social Development, and from the Honourable Jean-Pierre Blackburn, Minister of Labour, on the estimates.

As this meeting is being broadcast, I would like to take the opportunity to relay two messages to the public before we start the meeting. First, I would like to announce that this committee has launched its 2006 edition of the Centennial Flame Research Award, which has a monetary value of \$4,500 this year. Canadians living with disabilities are eligible to apply for this award, and the deadline for submitting a proposal is September 8, 2006. For further information please refer to the front page of the parliamentary website at www.parl.gc.ca.

Secondly, I would also like to take this opportunity to invite people and interested groups that are preoccupied by the question of employability in Canada to follow the work of this committee as it embarks on a related study. The committee will be hearing from witnesses this spring, and we will also be travelling across Canada in the fall to meet with people facing various challenges regarding employability.

To appear as a witness before the committee or express your views in a brief, you may either e-mail the committee at HUMA@parl.gc.ca or contact the clerk of the committee for further information. Please note that submissions to the committee cannot exceed the ten-page limit and must be accompanied by a one-page summary.

The committee will now devote its attention to Ms. Finley and the message she has for us today.

If I could talk to all committee members, now that I've had a chance to see you in action in terms of the timeframe, I will give you a one-minute warning on your time, and I will cut you off at the appropriate time. We all love to chat around this table. So I will give you fair warning as we move forward, so we can try to get in many rounds of questions.

We will start with the minister's opening comments.

Hon. Diane Finley (Minister of Human Resources and Social Development): Thank you, Mr. Chair.

I'm pleased to have been invited to speak before the Standing Committee on Human Resources, Social Development, and the Status of Persons with Disabilities.

[Translation]

I have looked forward to meeting with you. This committee has earned an enviable reputation for proposing valuable actions and solutions to the real-life challenges facing Canadians today.

[English]

I welcome this opportunity to bring you up to date on the activities of Human Resources and Social Development, HRSD, through our main estimates for 2006-2007. As you can appreciate, the past few months have been a time of transition for HRSD, as it was created only last February through the consolidation of Human Resources and Skills Development Canada and Social Development Canada.

The new department directly touches the lives of every Canadian. Our programs, policies, and partnerships support individuals in difficult times, help Canadians create opportunities, and deliver services that help people across the country. Quite simply stated, HRSD is about enabling all Canadians to make choices that will allow them to live productive and rewarding lives.

The HRSD portfolio encompasses a lot of things: employment insurance, workplace skills, learning, initiatives for children and families, persons with disabilities and seniors, along with such programs as the Canada Pension Plan and old age security, homelessness, and the Canada Mortgage and Housing Corporation. That's quite a broad range and touches every single Canadian.

An important part of my mandate is to improve the delivery of programs and services to Canadians through Service Canada. I'd like to point out some of the ways that we are moving forward on this front. We're making great strides in improving access to government information and services through new mobile and outreach services. By the end of 2006, our goal is to provide 90% of Canadians with access to a Service Canada point of service within 50 kilometres of where they live.

We now have more than 125 new points of service, many in rural and remote locations that were previously under-served. We've done this through the use of mobile outreach, not investing in new bricks and mortar but providing service in other facilities as well as through our mobile vehicles. For example, we have a number of new outreach sites serving aboriginal communities in northern Canada, through which we've been able to identify a broad range of potential beneficiaries of our support programs.

Service Canada is working with a growing number of federal departments, provinces, and territories to move the one-stop-shopping approach forward. This makes sense from the point of view of the citizen and provides better value to Canadian taxpayers.

For example, we're partnering with Transport Canada and Service New Brunswick to deliver pleasure-craft licences across Canada. We're partnering with the Government of Ontario on an online integrated birth registration service where new parents can apply for both a birth certificate and a social insurance number for the newborn. In Manitoba, we have three bilingual centres where citizens can get services from the municipal, provincial, and federal governments. Another popular service that we now offer is passport availability at 35 locations across Canada. We've already helped over 40,000 Canadians with this service.

Next week the governments of Canada and British Columbia are co-hosting, at the first deputy minister level, a federal-provincial-territorial meeting on service delivery issues, to look at how to work together on serving Canadians better.

• (0910)

[*Translation*]

While the Labour Program is still part of the HRSDC family, it is managed under the capable leadership of my colleague, Minister Jean-Pierre Blackburn, who is with us today and will be addressing you shortly.

[*English*]

A new structure was the strategic decision to respond to Canadians' expectations for streamlined government and good value for every tax dollar spent. Equally, it reflects our government's recognition that Canada's success depends on the ability of Canadians and our communities to reach their full potential. Since forming government, we've made it clear that HRSD will continue to help individuals at all stages of their life to create opportunities. This commitment was reinforced in the Speech from the Throne and new initiatives announced in the recent budget tabled by Finance Minister Flaherty.

Appropriations in the main estimates will enable us to move this agenda forward. But as I'm sure you can appreciate, the main estimates do not reflect the Government of Canada's recent budget. That elaboration will be provided in detail this fall when the report on plans and priorities will be tabled.

This newly created department comprises Human Resources and Skills Development and Social Development. It has planned expenditures on programs and services of more than \$78 billion, of which the vast majority, totalling \$73 billion, are provided as statutory payments to individual Canadians through employment

insurance, the Canada Pension Plan, old age security, and other statutory transfer payment programs.

The remaining 6% includes transfer payments of \$650 million to provinces and territories for the purpose of early learning and child care; \$222 million to provinces and territories under the multilateral framework for labour market agreements for persons with disabilities; and \$900 million to support individuals, communities, the private and voluntary sectors, and other levels of government in the achievement of shared human resources and social development goals through grants and contributions.

The 2006-2007 main estimates reflect HRSD and SDC as separate departments under the section for Human Resources and Skills Development. These estimates exclude employment insurance, \$16 billion, and the Canada Pension Plan, \$26 billion in benefits and costs, which we fund from these two specific accounts.

The 2006-2007 main estimates show an increase of \$2.6 billion from 2005-2006. This is mainly due to increases of \$1.8 billion as statutory payments to individual Canadians and to the transfer payments of \$650 million to provinces and territories for the purpose of early learning and child care.

CMHC's main estimates for 2006-2007 in the amount of \$2.266 billion cover the areas of assisted housing, affordable housing, housing repair and improvement programs, research and information transfer, and CMHC International.

I've just outlined our main estimates, but because we have a new government I think it would be helpful if I laid out our new initiatives in budget 2006 and how they impact on HRSDC and build on the commitments we made to Canadians.

In looking at the challenges ahead, our department has been tasked with ensuring that Canadians have choices through more focused support to children, families, seniors, people with disabilities, and their communities. At the same time, we're supporting economic growth and competitiveness through investments in post-secondary education and increased individual supports for apprenticeships and students.

I'm very proud that the Prime Minister has conferred these responsibilities on HRSD, and I know that the public service is up to the challenge of delivering this very ambitious agenda.

The Government of Canada recognizes that strong families are the building blocks of society and the key to our future. That is why we are investing \$5.2 billion over two years in children and families—for children, \$3.7 billion over two years in the universal child care benefit and \$250 million per year for up to 25,000 new child care spaces each year beginning in 2007. The universal child care benefit will go directly to the parents of Canada's 2.1 million pre-schoolers. It will provide \$100 per month for each child under six, to help parents supplement their options for child care that best suit their family's needs.

● (0915)

The second component of our universal child care plan is our child care spaces initiative. Under this program, we want to help increase the supply of child care spaces, but to do it in a way that meets the unique demands of families who need more responsive and flexible choices.

In support of strong communities, the budget provides for new housing trust funds for provinces and territories for affordable housing, including funds for aboriginal people off reserve and northern housing. These housing trusts will help Canadians find a safe and affordable place to call home. These expenditures are being managed directly by the Minister of Finance. This investment builds on approximately \$2 billion per year in housing programs administered by CMHC, now part of my portfolio, which enables thousands of low-income Canadians to renovate substandard homes and obtain affordable housing.

Mr. Chair, budget 2006 underscores that gaining skills is the best way for Canadians to access employment. Investments in education and training are critical to Canadian's future as well as to the productivity and competitiveness of our national economy. That is why the budget introduces a new apprenticeship incentive grant that will benefit 100,000 first- and second-year apprentices, as well as two new tax measures, an apprenticeship job creation tax credit for employers to hire new apprentices, and a new tools tax deduction for employed tradespeople to help with tools costs.

For students, the budget exempts all scholarships and bursary income from tax, introduces a textbook tax credit for both full-time and part-time students, and improves access to student loans. To strengthen post-secondary education infrastructure, the budget allocates \$1 billion to the provinces and territories, contingent, of course, on confirmation of final financial results for 2005-06 for critical and urgent investments.

I would like to address our demographic challenges. I am delighted that the budget has committed us to consult with the provinces, territories, and other stakeholders on the creation of the Canadian agency for assessment and recognition of foreign credentials.

Mr. Chair, these priorities are broad in scope and reach, but they focus on our priorities as Canadians. In the coming months we will be engaging in consultations with the provincial and territorial governments, as well as with other key partners, as part of the government's approach to meeting the challenges facing Canadians. One of the most important initiatives is the child care spaces initiative, a component of Canada's universal child care plan.

Over the next six months HRSD will be consulting with provinces, territories, employers, and community and non-profit organizations to develop a plan to stimulate the creation of child care spaces that will respond to parents' needs. As the Minister of Human Resources and Social Development, I have also been mandated, and I quote, to "initiate discussions this spring with provinces and territories on the overall objectives for post-secondary education and training, appropriate roles, and on developing a framework for ensuring measurable results and accountability in respect of funding support".

Our bid to encourage apprenticeships and to support apprentices in their training will also involve discussions with the provinces and territories, employers, and unions.

● (0920)

[Translation]

Engaging Canadians will be a key feature in the development of these and other initiatives. In the same way, Mr. Chair, we will consult with parliamentarians — people who ran for election because they want to make a difference in the life of our country — the same people who have the pulse of their communities and their constituents' best interests.

[English]

While the Federal Accountability Act and action plan has yet to be approved by Parliament, my officials are taking steps to ensure that all of our department's processes, policies, and services meet these new standards of accountability. The federal accountability action plan provides for a new approach to expenditure management, focused on results and value for money. I will ensure its effective implementation in my department.

[Translation]

The next 12 months will be demanding as we work with our partners and the provinces and territories to make the budget commitments a reality for Canadians.

[English]

As someone with a professional background in helping organizations develop strategic long-term solutions to problems, I believe strongly in involving as many people as feasible, so that we can hear all of their ideas and all of their perspectives. By doing that, we will have the benefit of many high-quality minds and ideas, and I believe we will come up with better solutions.

I recognize the importance of your work as individual parliamentarians, and I'm anxious to benefit from your insights, particularly in light of these budget commitments and the important role that will be played by HRSD. I look forward to working with you, as we aim to help all Canadians realize their goals for a better life.

Thank you.

The Chair: Thank you, Minister Finley.

Mr. Blackburn, do you have some opening remarks as well?

[*Translation*]

Hon. Jean-Pierre Blackburn (Minister of Labour): Mr. Chair, allow me to introduce the Deputy Minister, Mr. Munir Sheikh.

I'm pleased to be here this morning, especially since I was a member in the House of Commons from 1984 to 1993. I had the opportunity of being vice-chair for some time and then chair of the Standing Committee on Labour, Employment and Immigration. I therefore have a good understanding of the work you do and I can tell you the work that members of standing committees do is important in the running of a democracy and also provides assistance and support to the minister. So I am very glad to be here this morning.

I am both Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec. I'd like to tell you of the recent achievements under Human Resources and Social Development Canada's Labour Program.

As my colleague Minister Diane Finley pointed out, our department has undergone major structural changes over the past months. I was entrusted with the management of the Labour Program and I'm proud to serve my country as 39th Canadian Minister of Labour.

The Labour Program focuses on two main areas: labour-management relations and working conditions. These responsibilities affect sectors which come under federal jurisdiction, but which also involve labour-related federal-provincial-territorial cooperation, in addition to an important international scope.

As members of this committee, you make an important contribution in labour-related matters by recommending actions and making decisions which have an impact on our policies and programs. With its innovative approach, the Labour Program continues to set an example in both Canada and abroad.

First, I'd like to raise the issue of labour-management relations. My vision of Canada's labour force is based on solid and sustainable industrial relations. I want to encourage constructive union-management relations. This means building relationships between unions and employers with a view to reaching a balance — that word is important — which will make for stronger relations. We mustn't forget that in workplaces where there is no union presence, there is nevertheless an employment-based relationship, and that labour legislation plays a key role therein.

The second point I'd like to raise is consultations. Canadians tell us they want to work in workplaces geared to their particular needs, where employment and employment opportunities are available for those who wish to work, where training is accessible and where discrimination never excludes qualified people from having a career.

Labour Program officials have always sought the opinions and ideas of workplace stakeholders in the development of policies and legislation. I'm convinced that consulting our partners is a key part of addressing the needs and concerns of the workplace.

Reviewing federal labour standards is the third important issue. Our approach to the important review of part III of the Canadian Labour Code, which is almost complete, will be crucial. The previous government mandated Mr. Harry W. Arthurs, professor emeritus, to completely review part III of the Canadian Labour Code a year and a half ago. Part III had not been reviewed for 45 years.

For the past year and a half, alongside management, union and employee representatives, Mr. Arthurs commissioned a number of academic studies on which to base recommendations with a view to making changes to part III of the Canadian Labour Code. Professor Arthurs' report — who I met incidentally last February — should be submitted in June in English. Following translation, we expect the report to be made public around September.

● (0925)

Together, we may be called upon over the upcoming months to write a new page in history by considering and effecting positive changes to part III of the Canadian Labour Code. I'm thinking, for example, of the self-employed. These people have no protection, often don't have RRSPs, and if they are ill, end up with nothing. I myself was a self-employed worker for 11 years after leaving politics so I'm well positioned to understand the importance of this issue. I'm very much looking forward to receiving this paper. I believe there's a tremendous challenge awaiting all of us as parliamentarians over the upcoming months.

The other point I want to speak about is the workplace of the future. The Canadian economy of the future must be built from within its workplaces. Globalization, rapidly changing technologies and new ways of doing things have made our workplaces more complex than ever. These phenomena also put pressure on workers, their families and employers.

Research demonstrates that an imbalance between work and personal life takes a heavy toll on the Canadian economy and slows down productivity. It leads to increased absenteeism, high staff turnover and workplace stress. In other words, when work and home life are out of kilter, it costs Canadians billions of dollars in health care costs. The issue of balance between one's work and personal life will also be considered as part of the federal labour standards review.

A fair and inclusive workplace is my fifth point. To build a strong and united Canada, we must also build a more inclusive Canada. We must break down barriers caused by discrimination. We quite simply cannot allow ourselves to waste even an ounce of our precious human capital. We must welcome with open arms those who, traditionally, have faced hurdles to employment, namely, women, members of visible minorities, the disabled and aboriginals. And at this point, I should point out Parliament's five-year review of the Employment Equity Act is coming up. I'm quite sure this committee will play a leading role in this.

This year, we are also celebrating the 20th anniversary of the Employment Equity Act. The rationale behind employment equity is that all Canadians should be able to fully participate in, and contribute as much as possible to, the life of this country so that Canada remains a competitive and prosperous nation.

The Labour Program staff are developing training tools, and best practices for employers and employees and conducting initiatives and activities in order to break down barriers, as far as discrimination is concerned, to employment. Recently, they implemented a new strategy for a racism-free workplace, developed as an end-point to the work conducted under the Employment Equity Act. Pan-Canadian consultations and a series of workshops took place last year. These involved employers, representatives of the major stakeholders and labour organizations, including the Association of Canadian Bankers, the Canadian Labour Congress and transport and communication employers at the federal level.

The purpose of these consultations was to identify problems, find solutions and determine best practices to eliminate obstacles to advancement in Canada's workplaces, and in addition, to build partnerships. For example, a series of videos showing employers or employees faced with racism in the workplace were produced in collaboration with the National Film Board in order to inform and educate people about the benefits of employment equity, as well as the dangers and costs associated with the discriminatory practices which occur in some of Canada's workplaces.

The sixth point is occupational health and safety, which is a crucial issue, Mr. Chair. Safety in the workplace is another problem which takes a heavy toll on the productivity of Canada's economy and on optimal use of our human capital. We're currently coming to grips with new risks and new threats such as increasing stress, economic difficulties and workplace violence. This is why we have started to develop new risk prevention and workplace violence regulations. Under these regulations, employers subject to federal legislation will be compelled to take steps to prevent accidents, injuries and illnesses.

● (0930)

They must be proactive rather than reactive. And on that, I remind all colleagues that 900 people lose their jobs every year in Canada as a result of workplace accidents. Also more than 300,000 people are injured or away from work every year because of injuries or workplace-related health issues. This is not something to be taken lightly. And it's not only in the workplace. I ask everyone, be it at home or in one's everyday life, to look around and be aware that a simple comment to a loved-one can help prevent an accident which, often, may have a major impact on colleagues' and family members' lives. It is up to us to be vigilant and to take the small steps necessary to avoid major ramifications.

At the recent federal-provincial-territorial Labour Ministers' meeting, which took place in Whistler in March, every Canadian Labour Minister undertook to cooperate more closely in promoting safe and healthy workplaces in Canada and to make this issue a common priority.

The seventh point concerns international labour relations. Canada place a leadership role in labour-related areas on the world stage. Canada is one of the founding members of the International Labour

Organization and other international organizations dealing with labour matters. Canada plays a very active role. I'm especially looking forward to working closely with my American, Mexican, Chilean and Costarican counterparts in line with our bilateral agreements on international cooperation to enhance the application of labour-related legislation among our main trading partners.

In closing, I'd point out that the Labour Program staff are going to great lengths to assure that Canada remains a competitive and prosperous nation, and that both Canadian workers and employers have the legislation they need to thrive in an ever-changing workplace.

You should note that I'm very much enthusiastic about working with the committee in meeting the challenges that are await us. The various files we will be working on over the coming weeks, whether it be pay equity, worker protection, the Labour Code Part III reforms or employment equity will move the Department of Labour to the foreground. I will be happy to cooperate with you in ensuring Canada plays a leadership role in these various areas.

Thank you, Mr. Chairman, and all committee members, for your attention.

● (0935)

[*English*]

The Chair: Thank you, Minister Blackburn.

We're going to start our first round of questions with Ms. Brown, for seven minutes.

Ms. Bonnie Brown (Oakville, Lib.): First of all, I'd like to congratulate the ministers on their appointments, and I guess on some days I will want to sympathize with them for the problems they will encounter.

I just want to assure them that we are here to help and to put our heads together at this committee and come up with some solutions to problems that face them—although, as a member of the opposition, that help sometimes may take the form of shoving, pushing, or nudging. I think that's fair game.

As to the social development side of Minister Finley's portfolio, I wonder if she could share with us her definition of social development.

Hon. Diane Finley: Social development encompasses a broad range of things that fundamentally contribute to the development of our society. These include things like education and housing, basically ensuring that Canadians are provided with the opportunities they need to live well.

Ms. Bonnie Brown: Thank you.

Your party, over the years, has talked a great deal about family, and I wonder which definition of family you're operating under.

Hon. Diane Finley: There are many these days. There are many forms of family. We have what is classically referred to as the traditional definition of a family—a married man and woman with 2.1 children, all living in the same arrangement. Today there are a wide range of other forms of family. Unfortunately, we see marriages break up, but we also see families of single parents with one or more children, perhaps with different heritage. We see families that are made up of multiple generations living in the same accommodation. We see quite a broad range. In fact, for many people who are now without blood relatives or marital partners, they form their own families or own family groups; it may be with friends or roommates, but they form their own family function. However, when it comes to legislation, we have to abide by the legal definitions, whatever are appropriate. But we do recognize that families these days take a wide range of forms.

• (0940)

Ms. Bonnie Brown: Thank you.

As far as social development, social cohesion, inclusion, and all those things, it seems to me the foreign credential recognition problem comes to the forefront in a nation of immigrants. I know the budget assigned a certain amount of money to solve that problem, and also you expect to create a new agency. When do you expect that agency to be operational to the point that people can submit their credentials for analysis and evaluation?

Hon. Diane Finley: This is a very major undertaking. A lot of efforts have been put forward so far by a number of groups, including previous governments, the Council of Ministers of Education for Canada. It's a huge project. I'm looking at it as a multi-year thing. We're going to tackle it in stages because we want to address the most critical areas first.

In this country we have a lot of skills shortages. We also have a lot of people applying to us from abroad. People want to move here because we're a great country. That's the way they see us. But we want to make sure, for their sake and for ours, that we're matching the skills that are coming in where the jobs are needed. That's best for everybody. It fills the jobs here, it makes us more productive, more competitive, but it also means that immigrants will be able to be productive, will be self-supporting much sooner.

So we're going to be doing up a step-by-step process and working very closely with the Minister of Citizenship and Immigration on this. We're still developing the work plan as we scope out the possibilities because there are a lot of different ways we could go. What we want to do is make sure we do this in stages and that at each stage we're getting something productive, something very useful and practical.

In terms of actual definitions, we're going to be moving forward very soon with our work plan, and then going after the first stage, but we haven't set those timings yet. We believe it's important to do this just as quickly as possible. That's why we've been consulting with some of our international partners to see what they've done.

Ms. Bonnie Brown: Mr. Chairman, we know that on this file there will be many players internationally, federally, provincially. Also, with professional associations, you have a lot of people to play with who are going to be guarding their turf. That's why I was wondering if the minister herself, despite the step-by-step process

she outlines, has any year in mind when the first group, one sector, say engineers, could actually present credentials and expect to have some evaluation.

I'm not saying the whole gamut of professional credentialled persons, but rather even the first group that might actually be able to get some service out of this new agency. In your own mind, is this a seven-year process, a five-year process, a three-year process? What is your best guess? I won't hold you to it; I promise that. I'm just thinking for my constituents who are trying to bring relatives over, etc.

The Chair: Ms. Finley, just to let you know, there's one minute left for Ms. Brown.

Hon. Diane Finley: Thank you.

A lot of that work has already started for specific groups because the need was recognized. So there has been an effort to target half a dozen different professions where there have been shortages and where there are a lot of applicants. In the next year we'll be targeting a broader range. That's going to be the focus, and not having completed the work plan yet, it would be irresponsible of me to make any commitments in terms of timing.

Ms. Bonnie Brown: On the school-work transition, which I see as another problem within the social development realm, you have \$190 million in the estimates. How many apprenticeships do you expect to create with these incentives? What is the goal?

The Chair: Just a quick response, as you're out of time.

Hon. Diane Finley: I'm sorry, I don't have that number handy at the moment, but I would be happy to provide it to the committee afterwards.

Ms. Bonnie Brown: Thank you very much.

Thank you, Mr. Chair.

The Chair: Thank you, Ms. Brown. A good line of questioning.

We'll go to the next individual, Mr. Lessard, seven minutes.

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Thank you, Mr. Chairman. I would also like to thank the two ministers for their presentations. We appreciate their presence here this morning and the opportunity to have them answer our questions.

Minister Finlay, I will begin with employment insurance. Your comments are made with the assumption that decisions will be in place by fall, because that is the time of year when votes are reviewed.

You are looking at a number of issues, including the Program for Older Worker Adjustment, or POWA, which provides income support for older people. In recent years, every time programs were announced, they turned out to be short, or temporary. Regions with high percentages of seasonal workers are in the same position.

Some people have very recently been in an extremely difficult situation, e.i. pilot project number 6 was extended at the very last minute. Where are we at with income support studies for older workers? Have you completed them? If so, what direction do you plan to take? This is a very important issue and a very pressing one.

The Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities, as it was formerly known, now the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities, produced a report after some very comprehensive proceedings. The report comprised 28 recommendations on ways to reform the Employment Insurance Program, in accordance with the mandate given the committee by the House of Commons. Have you read the report? What do you plan to do about the recommendations it contains?

The Bloc Québécois introduced Bill C-269, which comprises a number of those recommendations, with the aim of restoring the Employment Insurance Program. Do you intend to support that bill?

It is very difficult to talk about reforming the EI system without talking about the use the government makes of the EI fund. You will agree with us that, in recent years, the government literally misappropriated some \$50 billion from that fund. Benefits to the unemployed were reduced by way of restrictions, so that a surplus could be generated. Because of those restrictions, most unemployed workers find themselves unable to qualify for insurance employment benefits.

I will stop there for now, and I hope I receive very specific answers to each of my questions. Given that you are very familiar with the issues, I think the answers can be quite short.

● (0945)

[English]

Hon. Diane Finley: I actually recorded six questions there. I'll try to deal with them.

There is no question that our government values the contributions of older workers. As we go forward we recognize that within a decade, unless we find more workers, we're going to be even shorter of people than we are now. We will have a decline in our actual workforce unless we get immigrants in, unless we can take advantage of people who we already have. For example, with older workers, we need to keep them in the workforce and productive longer. We need to take advantage of the skills and talents of people with disability as well as those of aboriginals. Otherwise, we're not going to have enough people to fill the jobs in this country.

We believe that any program for older workers has to recognize that it's far better to keep people productively employed than to have them on income support programs exclusively. Whether that means retraining or some other kind of developmental program, that's what we want to explore. So far there have been over 150 different pilot projects across this country dealing with older workers. Nobody has come up with a magic solution yet. That's why I was so pleased when the Prime Minister announced that we will be conducting a feasibility study looking at the issue of older workers and how we can best help them and help keep them productive. That's good not only for the economy, but good for their self-esteem and their own well-being. We'll be going forward with that.

You referred to pilot project number six. That is the one about the five weeks extra for seasonal employees, what we call the seasonal gappers. I was very excited—and actually I was very disappointed at the same time—last week when I was unable to announce

personally, but when my parliamentary secretary, who is with us today, was able to announce in the House that we will in fact be extending that program for another 18 months. This we believe will help seasonal workers in the areas of the pilot project. It will also give us a chance to collect another year's worth of data to analyze how effective the program is. We've made some tweaks to it to make it more efficient, more effective. We'll be able to assess the value that those provide. So we're looking forward to the results of that.

● (0950)

The Chair: Ms. Finley, you have about thirty seconds left to finish up.

Hon. Diane Finley: I would like to correct one statement that was made, and it was that the EI fund money has been misappropriated. I don't believe it has been. I'm sure this committee has gone into this is some depth, or will in the future. Those funds, the so-called surplus in EI, are actually just on paper. The funds were actually there, they were put into government general funds and they're already been spent to benefit all Canadians. We've realized some savings in the EI to the point where now—and in fact the EI commissioner is sitting beside me, my deputy minister—with the new process where we match premiums to anticipated expenditures, in fact through the savings we've been able to lower the EI premiums three cents for employees and four cents for employers.

The Chair: Thank you, Minister Finley. Thank you, Mr. Lessard.

Mr. Martin, seven minutes.

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

Congratulations to the minister on her appointment. I appreciate you coming today and answering some questions that we might have.

I wanted to start by asking you your views and opinions on, and plans for, a very important sector in our economy that I think is sometimes underappreciated. There have been a number of studies done to indicate the contribution the social economy makes to Canada, to our provinces, to our communities, and to the lives of people. I know that the previous government made a commitment of some dollars to promote the effectiveness of the social economy and to help it grow. Could I ask you for your view and any comment you might have on the importance of the social economy?

Hon. Diane Finley: That's interesting, I was in Moscow last week at a meeting of the education ministers of the G-8 and this was a very common topic, not quite at the table but once we got away from the table. It is recognized, as I mentioned earlier, that to be competitive in today's world we're going to have to take advantage of all of our resources. For those with a range of challenges we're going to need to make sure that we get them at the most productive and competitive.

We also recognize with the case that we were just discussing, older workers, that some people have limited mobility geographically. So we're going to have to provide what assistance we can there. We do have a lot of regional programming already recognizing that. So we're going to be going ahead with programs that will help us help people to live better lives. As I said in my opening remarks, better quality means being more fruitful, taking advantage of the talents and skills that they have and helping them develop those for their sake and for the country's.

Mr. Tony Martin: I appreciate that. I certainly share your view that social economy is important. I know that in some countries where I have travelled, like Ireland and Finland, and in Europe in particular, the social economy is growing in importance and scope. But it seems recently that the Treasury Board has frozen the funds that were put in place by the previous government. I believe the Quebec funds are still flowing, but the funds for the rest of the country, which were actually flowing through the regional agencies, are frozen.

I know that in northern Ontario, where we still struggle with a slow economy and a changing economy and have difficulty because of the various forces at play—the high dollar, the price of energy, and so on—the social economy was an important vehicle for us. FedNor was the agency that was going to deliver not only to northern Ontario, but to the whole of Ontario. They were a fair way down the road in actually determining what programs might be funded. There were people out there waiting and ready to go.

Could you let us know what you might do to help unfreeze or get those funds moving again so those agencies, those organizations, can in fact play the role we know they can in stimulating and growing those economies?

• (0955)

Hon. Diane Finley: Well, fortunately or unfortunately, depending on your perspective, this new government was elected, and our number one priority, as we stated, was accountability. To that end, Canadians are expecting us to make sure they're getting good value for every dollar that is spent.

The Canadian government has a really broad range of programs. Over \$180 billion a year is spent, mainly on programs to assist Canadians. It is quite an undertaking to try to review all those programs to make sure that value for the money is there. That's why so much of the funding has been frozen while we review it.

We don't want to be creating unrealistic expectations. We do, however, want to make sure that good programs get through. So we are looking at them just as quickly as we can. That money, as you rightly refer to, is still sitting with the regional agencies. Everybody has been talking to them to try to get them to release the funds as quickly as possible. So there's quite a bit of pressure on them already.

Mr. Tony Martin: Do I have more time?

The Chair: You have two minutes left, Mr. Martin.

Mr. Tony Martin: Okay.

A topic that everybody around this table has heard me talk about since we've come back in this Parliament is the whole question of the social transfer.

You mentioned a few minutes ago the issue of accountability. I know that the federal government flows literally billions of dollars to the provinces every year to deliver programs like social programs, post-secondary education, and so on, but there's no framework within which that flows. There's no mechanism to determine whether we're in fact getting value for the dollar, whether those programs are being effective, if they're delivering on expectations. I'm encouraging the committee to actually do a review of that very important contribution that the federal government makes to communities and the lives of families and individuals across the country.

I'm wondering, would you be willing to support such a review and such a study if it were to happen and you were given the lead by this committee?

The Chair: Ms. Finley, there's just one minute left for Mr. Martin, so if you could....

Hon. Diane Finley: Well, there has been a commitment made, particularly in the area of post-secondary education, that recognizes exactly what you're talking about. We want to ensure accountability. You're right; historically there hasn't been a lot of it. Provinces have been free to do what they wanted with the money they've been given, in large part. That's why on the post-secondary education and training side, I'm going to be carrying out extensive consultations with the provinces and the territories, as I mentioned in my speech, so the roles of the various levels of government can be defined. That way we can identify the expectations, who's responsible for what, what deliverables should be there, and what form of accountability is necessary.

Right now, most of the funding for post-secondary education goes through the Canada social transfer. So we're going to have to look at that and see how we break it out, whether there's going to be separate funding for post-secondary education and training, and if so, on what basis, so that Canadians know they're getting the value they expect for their money.

The Chair: Thank you.

Thank you, Mr. Martin, for the questioning.

We're going to move to the last questioner of this round, Mr. Brown, for seven minutes.

Mr. Patrick Brown (Barrie, CPC): Minister Finley, first of all, thank you for appearing before us today.

Service Canada, of which you are the minister, is a relatively new initiative of the Government of Canada. Its stated objective is to provide better one-stop service to more Canadians in more communities. Could you please provide the committee with a progress report on Service Canada?

• (1000)

Hon. Diane Finley: Thank you very much for that question.

Before I continue, I would like to introduce my deputy minister, Alan Nymark; and the deputy head of Service Canada, Maryantonett Flumian. I'm glad for their presence here today.

Service Canada is becoming a success story. For those of you who aren't familiar with it, its goal is to provide one-stop shopping for government services to Canadians—where they need it and when they need it.

To that end, our goal for this year is for 90% of Canadians to have access to a Service Canada site within 50 kilometres of where they live. That access might be once a week or once a month, but nonetheless, they will have access where they didn't have it before.

A lot has been done in the last year. We've added 125 new points of service right across the country, bringing us to a total of 440. We've been able to do that quite efficiently and effectively. We have cars that will go into communities and set up shop once a week in somebody else's facility. We're sharing facilities with other levels of government. If you go to Ottawa's city hall, for example, you can deal with provincial, municipal, and federal government departments all at once.

Service Canada has expanded the range of services it's offering. We've been working with a wide range of government departments. We've launched the Canadian Agricultural Skills Service program through many of them. Passports can be taken there now. And you can even get your boating licence there—or as we call it, the canoe registration—through a Service Canada outlet.

We're making a lot of progress. We have appointed a fairness adviser in terms of accountability. What else have we done? We've launched a service charter, an office for client satisfaction, an external audit committee, and an advisory council that will be looking at governance issues as well as performance. It will be setting the standards so we can ensure accountability and realize the savings to which we have committed.

And by the way, it was Service Canada managing the EI moneys and saving the money that allowed the EI rates to be dropped.

The Chair: That was all your questions?

Mr. Patrick Brown: Yes.

The Chair: All right. Does anyone else want to share any time, or is that it for this round?

Mr. Storseth.

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

Minister, thank you very much for coming today.

One of the concerns I have is with the previous government's promises to establish programs in my riding. They have consistently let down the people in my riding who are looking for something that is more responsive and flexible.

My request to you, Minister, would be to ask you to comment on the benefits of the new universal child care plan to Canadian families.

Hon. Diane Finley: This is something that I talk about in my sleep these days.

The universal child care benefit has two parts, as you probably are aware. The first is a \$1,200-a-year allowance directly to the parents. This is a cash payment; it's not a tax credit or anything else, but a payment directly to the parents of each child under the age of six, right across Canada. This is regardless of their status or where they live—on reserve, off reserve, rural, or urban.

The purpose of this allowance is to provide parents with some resources to help them access the choice in child care that best meets their needs, whether it's nine-to-five in the city, seasonal, weekends, night shifts in other areas, staying home—whether it's one parent at home with the child or granny—or formal day care. We want to help parents because almost half of Canadian families have a parent staying at home. As well, we want to make sure they get some help if they need to go to the doctor and can't tote three toddlers along with them.

The second part of our plan is to create 125,000 new spaces for child care, right across the country, at 25,000 per year. We're going to be doing that by providing incentives—tax or otherwise—to businesses, both large and small, as well as to community and not-for-profit groups.

In the past, large businesses have been provided with incentives to create the spaces. That wasn't always an effective program. That's why we're going to be consulting, and these consultations have already begun with a wide range of stakeholders to make sure our program is designed to be effective and get those spaces created, so that parents will have even more choices of where they can get their child care.

• (1005)

The Chair: Thank you.

You've got one minute left. Did you want to add something, Ms. Yelich?

Mrs. Lynne Yelich (Blackstrap, CPC): I'd like to ask Minister Blackburn a question. He talked about violence in the workplace.

Will you be using whistle-blower legislation or anything similar? You didn't really say you were addressing it. You said you were recognizing it, but you didn't say how you're going to recognize violence in the workplace. I would like you to comment, please.

The Chair: You have just 45 seconds, Mr. Blackburn.

[Translation]

Hon. Jean-Pierre Blackburn: We do not plan to go ahead with measures like whistleblowing. We prefer to use regulations and other measures to provide support for those people, so that they're protected from such forms of violence in the workplace.

[English]

The Chair: Thank you.

We're going to move into our second round now, which will be five minutes for each questioner.

I'm going to start with Mr. Coderre. You have five minutes, please.

[Translation]

Hon. Denis Coderre (Bourassa, Lib.): Thank you, Mr. Chairman.

Mr. Blackburn, you are the employability watchdog. In Canada, you are responsible for the workplace and for working conditions. Moreover, you are the minister responsible for the Economic Development Agency of Canada for the regions of Quebec so you have the tools to achieve what you wish to do.

The anti-scab bill is now at second reading. As labour critic for the official opposition, I support the anti-scab bill. You could give me a non-committal answer, and say that you are waiting for the report on part III, but I know that you're not afraid to answer.

You are also a Quebecker, with a great deal of workplace experience. You know that the anti-scab legislation works well in Quebec, and that employer-employee relationships are harmonious under it. Unfortunately, some employers are going to change their provincial charter over to a federal charter, so that they can hire strike-breakers.

After a private member's bill was introduced by the Bloc Québécois, I was happy to see that there was acceptance of our amendment to the effect that the bill comply with current practice in Quebec and British Columbia. My question is a simple one: do you support federal anti-scab legislation?

Hon. Jean-Pierre Blackburn: Mr. Chairman, Mr. Coderre, our government does not intend to proceed with Canada-wide anti-scab legislation. I would like to remind you that Quebec has had anti-scab legislation since 1977. British Columbia introduced similar legislation in 1993. Twenty-nine years elapsed between 1977 and 2006. In 29 years, only two Canadian provinces opted to introduce anti-scab legislation. Had the other provinces thought that such a law was necessary, they would have introduced it a long time ago. In 1993, Ontario attempted to introduce anti-scab legislation, it was defeated in 1995. Ontario reviewed its labour laws in 2005, and once again decided not to introduce anti-scab legislation.

Mr. Coderre, it is important to maintain a balance on this matter. The fact that the unions are massively in favour of such a law does not necessarily mean that the government should acquiesce. It is important to maintain a balance between employers and unions. It is also important to remember that while the current act, which was amended in 1999, provides for the use of substitute workers during a legal strike or lockout, an employer is never allowed to use the services of such workers with the intent of undermining the union. If union members or other employees feel that their rights have been violated, they have protection and can file a complaint with the Canada Industrial Relations Board.

That is how the system works; and I would reiterate that we do not intend to proceed with this bill.

• (1010)

Hon. Denis Coderre: Mr. Minister, with all due respect, it is not your role to specify the balance that should exist between employers and employees. We are working neither on behalf of unions or employers, our job is to prevent problems. Quebec and British Columbia have enjoyed harmonious employer-employee relations because they opted for a progressive approach.

I would remind you that, in Ontario, it was Mike Harris's government that withdrew the bill that had been previously tabled. Should you not blaze your own trail rather than lagging behind, waiting to see what happens elsewhere? You know full well that there is potential for problems to arise. We should not wait for a complaint to be lodged with the Canada Industrial Relations Board. As a watchdog, your role is to ensure that labour conditions are conducive to employment.

Again, I would ask whether you are always going to wait to see what happens in other jurisdictions? If that is not your intention, are you going to lead the way by offering real protection to workers and employers, so that we can avoid the horrendous costs of strikes?

[English]

The Chair: Mr. Blackburn, there are about 20 seconds left.

[Translation]

Hon. Jean-Pierre Blackburn: I would remind you, Sir, that we have studies that show that businesses invest far less in provinces that have anti-scab legislation. Studies show that there is up to 25 per cent less investment in those provinces. That is a very telling statistic.

Hon. Denis Coderre: Are you telling me that, given that there is anti...

[English]

The Chair: That's actually time.

[Translation]

Hon. Denis Coderre: Point of order, Mr. Chairman. Are you telling me that Quebec's anti-scab legislation has resulted in lower investment?

[English]

The Chair: Excuse me—there's no point of order here.

[Translation]

Hon. Denis Coderre: : Is that what you are saying? And you are the Minister responsible for Economic Development?

[English]

The Chair: We're going to move on to the next round of questioning.

Madame Lavallée is next, for five minutes.

[Translation]

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): I would like to thank my colleague Denis Coderre for having raised this subject; it will allow me to put my five minutes to good use.

Mr. Blackburn, you told us that investment is 25 per cent lower in Quebec. However, in Quebec, there is a consensus among employer and employee groups that the legislation is working well and has resulted in social, labour, and industrial peace, as well as shorter labour disputes. Indeed, since 1977, labour disputes in Quebec have been resolved quicker than those involving businesses subject to the Canada Labour Code.

Last week, Claudette Carbonneau, president of the CSN, told us that unionized workers subject to the Canada Labour Code constituted a small percentage of the CSN's membership, but accounted for half the total number of work days lost due to labour problems. This is another example that serves to illustrate that when businesses are subject to the Canada Labour Code, labour disputes last longer and are more violent. They also involve more vandalism.

Cast your mind back to the Videotron, Cargill, and Radio Nord disputes, or indeed to the three year labour dispute involving a small radio station in Bonaventure. After two years, the substitute workers — as you so nicely put it — asked for union certification. That just goes to show that, in the absence of anti-scab legislation, there is no balance of power.

I was astonished to note that in 1990 you voted in favour of this legislation and yet now, as Minister of Labour, with your self-proclaimed Canadian vision, not only are you voting against it, but you are instructing your party to do so as well.

That just goes to show Quebeckers that when they vote for a member of Parliament who is set to become a minister, he will put Canadian interests ahead of those of Quebeckers. That is why the Bloc québécois holds a majority all seats in Quebec. I will get back to the point, but I could not pass that one up. The field was open, so I took the shot and scored. That is the partisan politician in me.

The current Canadian legislation is not adequate because, provided the employer continues to negotiate, he is free to employ as many workers as he wants. That is what is happening with the miners in Northern Ontario.

We will have the opportunity to discuss this again this afternoon during the first hour of debate at second reading.

However, I would first like you to confirm that you said that investment in Quebec is 25 per cent lower because of our anti-scab legislation.

•(1015)

Hon. Jean-Pierre Blackburn: In answer to your comment, and to that of Mr. Coderre, I would inform you that a study carried out by the Montreal Economic Institute stated that investment in provinces with anti-scab legislation was 25 per cent lower than in other provinces. I tell this because I want you to know where I got these figures.

Furthermore, I would remind you that other studies have also been done and we will be able to discuss them this evening, in the House, during our first debate on this matter. Other studies reveal that labour disputes last 32 days more in jurisdictions that have anti-scab legislation than in those which do not. That is another interesting statistic that is worth keeping in mind.

Ms. Lavallée, I would remind you that this is the fourth time that this question has been brought before the House of Commons; it was also discussed in 1990, 1995, 2000 and 2004. On each occasion, the majority of parliamentarians voted against the implementation of anti-scab legislation.

In 1999, the Sims taskforce studied whether the government should introduce anti-scab legislation and concluded that it should not. There is no consensus amongst employers, employee, and unions as to whether such legislation should be introduced. The majority of stakeholders recommended the current legislation, which we have implemented, and which provides for the use of substitute workers, but only in circumstances that I mentioned earlier, and provided that their presence does not undermine the role of the union.

As members of Parliament, you have to live up to certain responsibilities. As Minister of Labour, I need to have a national perspective. It is not for me to impose legislation upon provinces. The provinces have had 29 years to introduce such legislation, but have not seem fit to do so.

I would also remind you that, even if the Bloc québécois does hold a number of seats in Quebec, Quebeckers seem to be changing their minds at an ever increasing rate.

[English]

The Chair: Thank you, Minister Blackburn.

That is it for the time. We're going to move to the next questioner.

Welcome, Ms. Chow, to the table, and we'll have five minutes during the second round.

Ms. Olivia Chow (Trinity—Spadina, NDP): Thank you.

Minister, your taxable children's allowance, the universal child care allowance, will actually reap your government a whopping \$448 million in income tax over two years. It will also reap about \$800 million away from families through the elimination of the young-child supplement over the same period. If you add that all up, it's \$1.25 billion. Would you actually put that money back into the hands of children and their families by investing that \$1.25 billion into the creation of child care spaces?

Hon. Diane Finley: I'd like to address a couple of points on that. Number one is, I'm not sure of the source of that information on the taxation levels. There has been some confusion in the media over the last few months about how much of the money parents would actually receive.

One of the important aspects of how we structured our universal child-care plan was that we said the \$1,200 universal child care benefit would be taxable in the hands of the lower-income parent. With almost half of families having at least one stay-at-home parent, that stay-at-home parent doesn't have an income, there would be no tax on it. I want to make sure that everybody understands that. This tax is in the hands of the lower-income spouse because we want to make sure Canadian families get as much benefit as possible from this. That's why we call it a "benefit."

There have been some other, shall we say, confused statements as to how much of this money parents would actually get to keep, apart from the tax side of it, and that's through something called "clawbacks" at the provincial level. I'm really pleased that 11 of the 13 provinces and territories have joined the federal government in saying, no, they will not claw back this amount. In other words, they will not count it against the applicant's ability to get other social benefits. That means they're going to keep a lot more of it than what many people in the media have led people to believe, so this is good news for Canadians. I'm not sure of the total numbers, or if any money was brought back, how it would be invested. Quite frankly, it would be up to the Minister of Finance.

•(1020)

Ms. Olivia Chow: You talked earlier about consultation with the provinces on the creation of child care. Why bother consulting your provincial social services ministers when your government told them last week you have no intention of transferring funds to the provinces and the territories for them to deliver child care because you want to deliver it? This means it's a top-down model, and I'm worried that you will create duplication, confusion, and wasteful bureaucracy. My question is, isn't delivery of child care really a provincial jurisdiction, a provincial responsibility? Why would you say to them that, no, we won't give you the money, we want to do it, in whichever model you have? I thought a lot of provinces, whether it's Quebec, Manitoba, Ontario, etc., already have child-care spaces being created, so why wouldn't you transfer the funds to them and give them some standards and guidelines, except Quebec of course, and let them do their good thing? Instead, you want to deliver it through the federal government. Isn't that creating more bureaucracy and confusion and duplication?

Hon. Diane Finley: That's exactly what we're trying to avoid.

The Chair: Minister Finley, we have about one minute left, just to let you know.

Hon. Diane Finley: Thank you, Mr. Chair.

That's exactly what we're trying to avoid, layers of bureaucracy. We, as a government are not trying to deliver child care, not at all. We recognize this is a provincial jurisdiction; we recognize previous programs transferred money to provinces with absolutely no strings attached. There was never any guarantee this money would get into child care.

We do not want to deliver the service. Our goal is to provide parents with the resources they need to get the choice in child care that meets that family's unique needs, whether it's cash in hand or whether it's additional spaces that are so very much needed across the country. That's why we're giving the money directly to parents, so it doesn't have to flow through one or two or three or four levels of government. We want to make sure this money goes directly to parents because they can spend it best on their children. We believe they can spend it better and more efficiently than some of the other alternatives.

The Chair: Thank you, Ms. Chow, and thank you, Minister Finley.

We're going to move to the last questioner in the second round. Mr. Storseth, you have five minutes.

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

Minister Finley, as you're well aware, there are significant labour shortages in Alberta today. I might say these are particularly pronounced in my own riding, where we have a booming economy and major industrial construction projects going forward. We have about \$10 billion worth of upgrader projects going on in the next five to ten years.

These labour shortages that we and our employers are facing are not about to go away any time soon. What is being done to address the shortages in both the skilled trades and the other sectors of the economy?

Hon. Diane Finley: Thank you very much for the question.

This is a very topical issue. We're definitely having shortages in Alberta and B.C. in particular, but we're having them right across the country in different fields and in different sectors. Part of it is what I alluded to earlier: we do have an aging workforce. A lot of them are retiring at relatively young ages, and we're having a shortage, particularly in the skilled trades and some professions.

We're doing a lot of work on those fronts. One is in terms of labour mobility—getting people who are qualified in let's say Ontario, Quebec, or New Brunswick to have those qualifications recognized in Alberta. We're very supportive of the Red Seal program that provides national recognition to credentials earned at the provincial level.

One of the challenges we have is that there are over 400 different regulatory bodies across the country, each under provincial jurisdiction, each with its own provincial perspective. We're trying, and we hope, through consultation, to get them looking nationally. We are encouraging that kind of labour mobility.

To help out with those things, we're also working hard on the foreign workers program; we're working with the Minister of Citizenship and Immigration on this very closely. We're looking at streamlining that process so that foreign workers can be brought in when Canadian workers cannot be found to fill the jobs. Let's make sure that the Canadian employers have to first of all prove they haven't been able to find these people in Canada, and second, they have to make sure foreign workers are competitively paid, just as they would pay any Canadian resident.

Finally, we're working on foreign credentials recognition. This is a two-way thing. It is to help us help people who would be immigrants to Canada. It's to help them recognize what their qualifications are in Canadian terms, and where they could best be applied.

So there are a number of things we're working on to make sure we are getting the right incentives for people to work in the right place in their chosen field.

•(1025)

Mr. Brian Storseth: Thank you, Minister.

There are some excellent programs and some very good policy going forward, and I note in the estimates and in the budget that we've put substantial amounts of money to help with these programs. What is the government doing to help better inform the public, including the business communities, as to the accessibility of these programs?

Hon. Diane Finley: We're doing a number of things. One is through consultation. Another is something we call sector councils. There are 32 of them, representing different sectors of work and different industries in Canada. That's how we've been able to identify the need for aviation workers—through working in consultation with these sector councils.

We're also working with them on trying to get the various provincial standards for regulated professions at a common ground, so that people can have interprovincial mobility. To get that message out, they can deal with their sector.

Service Canada has been doing a lot of outreach on a wide range of subjects. They've been doing it on this. They've been doing it on getting the word out about our GIS and OAS programs as well. Service Canada is into many things that are going to help all departments right across the government to do their jobs more effectively.

Mr. Brian Storseth: Thank you very much.

The Chair: Thank you.

We're now going to move into our third round of five-minute questions.

Mr. Regan is next.

Hon. Geoff Regan (Halifax West, Lib.): Thank you, Mr. Chairman.

I want to begin with an observation. The committee is new, in many respects, in terms of its makeup. I think the lesson from this morning, and perhaps you'll agree, is that having the meeting, which we started ten minutes late, with half an hour for speeches—written speeches that ministers have read to us—and only an hour and twenty minutes for questions, is woefully inadequate when you consider the importance of the two departments in question. They are large departments. One has been recombined from two separate departments, so there are effectively three departments. And we have an hour and twenty minutes in all, this spring, to ask these ministers questions.

I therefore have to get to the questions. I have many, but I'll start with this one for Ms. Finley.

Thank you for coming in this morning, and welcome to the committee, in spite of my comments. I hope we'll have you back soon, perhaps separately, to answer many more questions, because the estimates process is an important one, and I know that you agree with the importance of being held accountable on these issues.

Let me ask you first about literacy. I'd like you to confirm, if you would, the literacy funding that I've heard about, of \$38.8 million. Is that confirmed for literacy, and if so, when will calls for proposals go out?

For instance, Literacy Nova Scotia has had no funding since March 31. It's looking at laying off staff or closing its doors. This is a dire situation for people who are at a disadvantage, who obviously need literacy training. I'm sure you'll agree that literacy training is absolutely fundamental. I heard the head of Nova Scotia Community College say that their biggest challenge at community college is literacy. That's a fundamental problem we have to face in terms of skill shortages, and throughout everything. It's the base. What's happening?

Hon. Diane Finley: There are a number of things happening.

I agree wholeheartedly with you on the importance of literacy. Our department invests a lot in skills development, but if people can't read, if they don't understand what they're reading, it's hard for them

to learn how to do a better job or to do their jobs better. It's fundamental that we have a literate population. That's why we are going to be sending out calls for proposals in the very near future. I expect and I hope, subject to approval, that these will be completed over the summer. There's no guarantee on that at this point in time.

In terms of the dollars you were asking about, that is the target amount, recognizing that there is the billion-dollar challenge out there in terms of savings in government programs. So I can't confirm the exact number. But at this point in time, we're certainly talking in that same range, and it will depend, of course, on what results come from the calls for proposals. Those, I expect, will be going out very soon at all three levels. I should confirm that there is a national call for proposals and local and regional calls for proposals, as well as the education savings incentives pan-Canadian community outreach initiative.

• (1030)

Hon. Geoff Regan: Let me turn, if I may, Mr. Chair, to post-secondary education.

In the Conservative platform, there was a commitment to remove post-secondary education funding from the Canada social transfer and create a dedicated transfer for post-secondary education and training. I think it was on page 32 of your platform. Of course, that wasn't in the budget, so the first question is why you did not keep the promise that was made in your platform to do that. Is it still the intent of the government to move to dedicated transfers, and if so, when? Will you have to consult with the provinces and territories before doing that?

Hon. Diane Finley: I'm sorry, I missed the last part. Did you say "when" or "why"?

Hon. Geoff Regan: All of the above, but mostly "when". "Why" could go on for a while.

Hon. Diane Finley: There has been a lot of demand, at the provincial level, that there be recognition of the cost of post-secondary education that the provinces have to bear, and we'd like to make sure that the contribution of the federal government in that is recognized.

During the campaign we talked about a dedicated transfer. We don't want to do this arbitrarily. We don't want to come up with a program and just impose it on the provinces. Our relationship is far too interdependent to do that. I have already begun informal consultations with a wide range of my provincial colleagues on this subject. We are going to be going through formal consultations as well, because if we're going to go to this kind of dedicated transfer and remove it from the Canada social transfer, we want to develop a program that specifies the rules and responsibilities of both levels of government, so that both levels of government can be held accountable for performing and meeting the objectives of their roles. In the case of the federal government, most of that is in providing the financing, and the role of the provincial government is in how it's spent.

We want to make sure that if we're handing over billions of dollars to the provinces for post-secondary education, that's where it's being spent and that it's being spent wisely. We believe we owe that to Canadians.

Hon. Geoff Regan: This leads me to the question of access. If your intent is to still have that dedicated transfer, as you suggest, I guess the question is whether you intend to use that transfer to fund the commitment in Bill C-48 from last year, which provided \$1.5 billion to enhance access to post-secondary education. In fact, Bill C-48 specifically earmarked funds “for supporting training programs and enhancing access to post-secondary education, to benefit, among others, aboriginal Canadians, an amount not exceeding \$1.5 billion”.

I understand that the government committed \$1 billion in its budget for infrastructure. As we indicated in our platform in the election, we had \$1 billion for infrastructure for universities, which was important, but we also had a lot of money for access.

It turns out from what Minister Flaherty has now said before the finance committee this week that the \$1 billion in fact is from Bill C-48, which, as I said, was supposed to be for access.

When you talk about people who are aboriginals or low-income Canadians, what I don't see here is any help for those people, especially when they need it. A tax benefit that comes six months later isn't much good for a person who is from a low-income family and who's trying to pay his tuition in September. I guess the questions are what are you doing about that, where is the \$1.5 billion that was provided for in Bill C-48, and why isn't it being used for access? Will you sit down with the provincial ministers, with the finance minister, whoever else it takes, to get this moving so we have something real for access for students?

The Chair: Minister Finley, if you could take ten or fifteen seconds, as we're running out of time.

Hon. Diane Finley: The \$1 billion you talked about for infrastructure also covers access of a different kind, and that is physical access for students with disabilities. We are hoping some of that money will be used there. There are an awful lot of—far too many—campuses across this country where people with disabilities have a terrible time accessing them. I've become much more sensitive to things like cuts in curbs these days, since I have had my little challenge. I find that all too often, that's not there. Part of that \$1 billion is to go towards that. That's part of another definition of “access”.

• (1035)

The Chair: Thank you, Minister Finley.

We're going to move on to Mr. Lake.

Mr. Lake, I'm very sorry about your Edmonton Oilers last night. I went to bed after the second period and thought they had everything under control, but apparently that wasn't the case. Maybe we'll have to stay up a little later next time.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): I was going to say that the biggest issue in my riding to do with labour is our impending goal-tending shortage.

Hon. Geoff Regan: I have a point of order. I recall at the last meeting, Mr. Chairman, I think, as the clerk is reminding you—

The Chair: No, we're in the third round now, Geoff. The third round goes back and forth. I have it under control.

Mr. Mike Lake: But apart from our goal-tending shortage, in my riding, foreign credentials is a major, major issue. I hear time and

time again from people who have come to the country thinking one thing and when they get here, they find out things are a bit different. That's the recurring thing I hear. When I talk to people, I think we have probably about the highest qualified taxi and convenience store workers in the world in my riding. We have engineers, doctors, all sorts of people working there who should be working in other places—either in my mind or in their mind.

I guess I have a couple of questions. My understanding is that some of these people feel they're getting bad information when they're making their decisions before they come here. They think they're coming to do one thing, but when they get here, they realize they're less qualified than they thought. Some feel they have qualifications and there's simply a backlog that's causing them problems. That's a recognition issue. Some, actually, may even relate to our internal transfer of employees, when they come to one place but then want to move to another place and realize the rules are different.

I want a bit of feedback in terms of what you might have identified—I know it's early on—as the biggest issues that we need to address in terms of this recognition.

Hon. Diane Finley: There are a number. Everything you have said is absolutely true. We have way too much talent out there that is being underused, to the dismay of the country, or to the detriment of the country, but also to the detriment of these individuals and their families. They could be much better off both economically and psychologically if they were productively employed in their chosen field, in which they have skills. This is why we're spending so much time and energy on this, working with the Minister of Citizenship and Immigration.

One of the steps that we see in helping get over this barrier and this lack of communication is the foreign worker program through which employers in Canada who can't find the skills they need here, having exhausted the market in a search, then go offshore to find them, and bring people in for a limited time period. The benefit that comes out of that is twofold. Firstly, the employer gets the skills and services they need. Secondly, the foreign workers get Canadian experience. One of the biggest hurdles for immigrants in getting their credentials recognized is a lack of Canadian experience. It's the old story of no job no experience, no experience no job.

Through the foreign workers program, we are starting to get around that in some specific professions. My hope is that we will be able to do more of that, and also more formally recognize this experience. That's why we want to go ahead with the new agency through which we can specify Canadian credentials and standards, so that people coming here will know ahead of time what to expect, where to expect it, and where they will be able to work. They might be able to work in New Brunswick but not Saskatchewan because of the provincial standards and provincially regulated bodies. We're really trying to get more programs like the Red Seal, through which there can be provincial standards for each, but also a common national standard that allows people to move across the country, because that's better for everybody.

Mr. Mike Lake: I have another short question concerning the universal child care plan, and actually more specifically concerning where we're coming from. Are there any studies or any numbers to do with what percentage of families use the institutional day care as opposed to other non-traditional child care?

• (1040)

Hon. Diane Finley: One of the challenges with measuring how many use it is that there is a shortage. The second question then becomes what are parents' preferences. I frankly think that's a more important issue. Where do parents want to have their children cared for? Is it at home? Is it in a formal day care? Is it with family, friends, or neighbours? I think that's the most important one.

When you start looking at those surveys, parents' first choice is to take care of the child at home. They can't always do that for economic reasons. I've actually talked with parents who have said, "You know what? I have three kids under the age of five, and that's \$3,600 a year. With the difference between what I make and what I pay in child care—because I have to go to work—versus what you're providing me, it's not worth it for me to work any more. I now can stay home and raise my kids myself. Thank you."

Others are saying, "I wanted to go back to work. I wanted to put my kids into child care, but I couldn't afford it. This is going to make it possible for me to go back to work, or to go back to school, even, on a part-time basis."

What we're trying to do is provide parents with choices. In terms of how many are actually doing it, the real question is how many would like to.

The Chair: Thank you, Minister Finley.

In reference to Mr. Regan's comments before, since we have the ministers here—I know that we normally like to go to motions—do I have the will of the committee to continue? I know there are a few people who would like to ask additional questions. Would that be all right? We are at the will of the committee.

Mr. Regan, go ahead, please.

Hon. Geoff Regan: Mr. Chair, I must tell you that in fact in view of the nature of this meeting, with the ministers here, I assumed we wouldn't be going with motions on this particular occasion.

The Chair: I just want to make sure we have the will of the committee on that. Okay? If that's all right, we'll continue.

We'll have Mr. Lessard, then Mr. D'Amours, and then Mr. Martin.

[*Translation*]

Mr. Yves Lessard: To follow on from what Mr. Regan just said, I think that we should consider having the ministers back before the committee, separately, to give us the opportunity to further explore certain issues. I think it would be helpful for the committee.

My question will be brief, because I want to allow Ms. Lavallée time to ask another question in the five minutes that we have.

Minister, you made a comment that both shocked and surprised me. You said that the almost \$50 billion that were misappropriated from the employment insurance fund belonged to all Canadians, and that all Canadians had benefited from it. You know full well that the EI fund is made up solely of employer and employee contributions for the purposes of EI benefits. During the last election campaign, the current Prime Minister made a commitment to establish a stand-alone employment insurance fund to put an end to contributions being used for other purposes. I would like to know exactly what you meant by what you said, given that, mere months ago, you made a commitment that mirrored our convictions.

[*English*]

Hon. Diane Finley: There is a lot of confusion on this subject, no question. When the term "misappropriated" is used, in my mind that conjures up images of theft, collusion, and pocketing for personal benefit—in other words, employees or members of the government of one form or another actually getting personal gain.

The Chair: We have a point of order here.

Hon. Denis Coderre: Yes, and it has nothing to do with the answer.

[*Translation*]

Could we please have a little respect here? I would ask that, if you have a cell phone, you put it on vibrate, as otherwise it disturbs everybody.

Mr. Yves Lessard: I did not use the terms that the minister used. I never alleged theft; I simply said that the money was used other than for its intended purpose.

I am only trying to understand. Is it the minister's intention to maintain the status quo, to use the EI fund other than for its intended purpose?

[*English*]

The Chair: Thank you.

Mr. Coderre really only wanted to make sure the cell phones were off, out of respect for the minister, so you could be on vibrate mode, if you would do that.

Minister Finley, you may continue.

Hon. Diane Finley: I'd be happy to.

In the past there were considerable surpluses in terms of the amount of money that was charged to employees and employers for EI premiums as opposed to how much was spent on benefits. There was a big gap, and over the years that surplus accumulated to around \$50 billion.

That being said, it was recorded as a surplus, but the actual dollars, the cash, went into general government coffers and was spent on all kinds of other programs. It didn't go back into the EI program but it did get spent on benefits for Canadians. So the money no longer exists in a separate EI bank account, shall we say. It's only on paper. The money has actually come and gone and been spent under other names.

We have taken a number of measures to ensure that this doesn't happen again. The first is that each year new rates for the premiums are determined by actuaries along with the commissioner and others, based on the expected expenditures. What we want to do is make sure that the premiums charged match the expenditures so that there is no surplus and there is no shortage. We're doing it so that they match.

We're also getting more efficient—

• (1045)

[*Translation*]

Mr. Yves Lessard: Please... We already know all of that!

I just want to know whether you will be establishing a stand-alone fund, as your party promised to do during the election campaign. I only need a yes or no answer. That way Ms. Lavallée will have time to ask her question.

Yes or no? With all due respect, we have all heard your explanations. Are you planning to establish a stand-alone fund that will ensure that the money is only used for employment insurance purposes? Yes or no?

[*English*]

Hon. Diane Finley: That is a possibility in the future. It won't be happening immediately. There is a separate fund set aside at the moment—not a fund, per se, but separate accounting.

The Chair: I'm sorry, we're out of time there. We'll move on to the next question.

Ms. Yelich, five minutes, please.

Mrs. Lynne Yelich: Thank you, Mr. Chair.

Yesterday Statistics Canada released a report on participating, volunteering, and giving, and it certainly was, from what I could understand, a worthwhile report. I'd like to know what your department plans on doing with that report from Statistics Canada.

Hon. Diane Finley: The report that came out yesterday was very revealing. It showed that almost every single Canadian actually contributes in some way or another to his or her community, whether that's through time or through money, to help other people. Canadians are very generous.

One of the ways we're going to be using that is through our work with the voluntary sector. Our department has the primary lead on dealing with the voluntary sector, which actually contributes over 8% of our GDP. So it's important that as we develop programs, we work closely with the voluntary sector, the not-for-profit sector, because there is so much they can do to help this country and are willing to do if they're given the tools necessary. We believe that working with them is good for the community because it's local

people who are doing these activities to help others, because they choose to.

One of the best roles for the government is to make sure they have the resources necessary to do that; otherwise, the alternative economically is pretty daunting. So we're going to be using this data to help work with the voluntary sector to help them achieve their goals.

Mr. Patrick Brown: Mr. Allison, I have a question.

With regard to the foreign credentials assessment agency, I'm very enthused, Minister, that you took that on and included it in your ministerial plans. Are there any plans within that assessment agency to assist with the real challenge we have with the doctor shortage? Many new Canadians have a real challenge meeting the cost of their equivalency exams. How does that relate to small communities where the doctor shortages are more acute?

Hon. Diane Finley: Specific programs are in place right now to try to alleviate the doctor shortage, because it's happening right across the country. Coming from rural Ontario, I know there's a very severe doctor shortage; it's at the GP level. Somebody said the largest town near us is missing five psychiatrists. Specialists are really hard to come by. We want to make sure, though, when we have people come in who have had their medical training in other schools, it meets Canadian standards. Because we do not want to compromise Canadians' health care.

But we do have a program. Doctors are one of our top three priorities right now in terms of targeted professions. Engineers are another one. And other medical providers—for example, physiotherapists, occupational therapists, radiologists—are all in that other medical group. Those are the top three we are working on right now because we recognize the shortage.

• (1050)

Mr. Patrick Brown: Thank you.

The Chair: We've got two speakers left, and we're almost out of time.

Mr. Martin, and then I've got Mr. D'Amours.

Mr. Tony Martin: I have a couple of quick questions.

Going back to the social economy, given that it's a broad but sometimes invisible sector of non-profit and co-op businesses that adds significant social and economic value and provides necessary cost-effective products and services to rural and urban communities.... It's flowing in Quebec, but it's frozen in the rest of the country. I guess I'm wondering, how is that fair? That's my question.

I also wanted to ask a question on SCPI. Across the country we have a number of programs delivering very valuable and crucial supports to the homeless and people looking for affordable housing. If SCPI isn't renewed in my own community, we have three programs that will be without money and will end, and we'll again have the reality of growing homelessness in our communities. I'm wondering about the status of SCPI. I also want to know if it's fair that the social economy money is flowing in Quebec and yet it's being reviewed in the rest of the country.

Hon. Diane Finley: In terms of what we're doing in funding for the social economy programs, anywhere there's a contractual obligation to provide the money, it's flowing. So whether Quebec has had a special designation or whether it's through contractual obligations, I'm sorry, I'm not familiar with that because that's being handled by the regional agencies, and I haven't kept track of what they're doing in that regard. But we are honouring all contractual obligations at the moment; that money is flowing.

You asked about SCPI. No problem: that's going forward. That's all been blessed and approved. You were talking about homelessness and these other programs. The national homelessness initiative has been extended also.

We recognize the importance of these sectors and the dependence they have on federal funds. That's the value of these programs; they have been reviewed, and that's why we're going ahead with them.

The Chair: Thank you, Mr. Martin.

Mr. D'Amours.

[*Translation*]

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

I have to say that I was disappointed to hear a minister representing an economic development agency imply that anti-scab legislation undermines investment, while, at the same time, speaking of the importance of achieving balance. Balance, however, has to reflect the needs of both businesses and workers. I believe that the question of respect for workers is an important one, and is key to harmonious relations.

That being said, I would like to move on to discussing employment insurance with the Minister of Human Resources and Social Development. Last week, it was decided to extend one of the pilot projects by 18 months. The intent of the pilot project in question is to allow workers weathering a difficult period to receive up to five additional weeks of employment insurance benefits.

The pilot project was due to end last week. It was supposed to be wound up on Sunday. It must have been an anxious time for some workers who did not know if they would continue to benefit from this very important provision.

I also hope that the problem pertaining to economic zones will not reach calamitous proportions. As you know, Minister, a pilot project was established to help the Madawaska region in New Brunswick and the Bas-Saint-Laurent region in Quebec. The project was established as these regions were put in economic zones that place them at a disadvantage; it allows them to participate in all employment insurance pilot projects.

Minister, I would like to know whether, over the next few days or weeks — because it cannot wait until the project ends in October — you intend to indefinitely renew this pilot project. It would allow us to ensure that these regions would not be disadvantaged in the future. I also think that it would be a good idea to redefine the economic zones to allow the Madawaska and Bas-Saint-Laurent regions to benefit from employment insurance pilot projects.

• (1055)

Hon. Jean-Pierre Blackburn: Mr. Chairman, in answer to the member's first question, I would urge Mr. D'Amours to be cautious on the matter of anti-scab legislation. It is important to maintain a balance, not to force the issue. That is an extremely important principle Canada wide.

A Montreal Economic Institute study showed that investments dropped by 25 per cent in provinces with anti-scab legislation. That is an important piece of information. It is important to look at the bigger picture, rather than allowing one group to impose their will at the expense of others.

Mr. Jean-Claude D'Amours: That is not what is happening at all.

[*English*]

Hon. Diane Finley: If I may, I will respond to the numerous questions that you put to me.

You were very gracious in assisting with the analysis and decision-making on the five weeks project. You know the process we went through. We went through analysis, we waited until we had data, then we did the analysis, and then we reviewed it. We then saw there were opportunities to do it better, smarter, even more effectively and more responsibly. That is the approach we're taking with all of our pilot projects. We're trying to get the facts, analyse them, assess them, and look for alternatives that may be even better.

In terms of the projects you mentioned, they do expire in the fall, but we will be waiting until we've got the data, and then we'll do the analysis. Then we'll take a look at the alternatives and see if they're worth while or if there are better ways they could be handled. And those decisions will be made in the fall.

Before we conclude, Mr. Chair, if I may, I would like to thank the other person who is at the other end of the table with me today, Ms. Karen Kinsley, who is the head of CMHC and joined us today as well, even though she's had a pretty easy ride of it.

The Chair: Twenty seconds.

[*Translation*]

Mr. Jean-Claude D'Amours: Mr. Chairman, I would like to draw the minister's attention to the following problem.

It can be difficult to fully appreciate the problems related to economic zones if one is not personally familiar with the affected area. My riding is called Madawaska—Restigouche. Some of my constituents live in the Madawaska region, while others live in the Restigouche region. Some people are penalized not because of where they work, but because of where they live. There are people who live in the Madawaska region, but who work in the Restigouche region. However, those who both live and work in the Restigouche region enjoy benefits that those who live in the Madawaska region could lose if the pilot project is not granted permanent status, or if the economic zones are not redefined. I have already sent a letter to the department making the suggestion. I argued that people should not be penalized because of which of our riding two regions they choose to call home. Some really good work was done on this matter by the previous liberal government and, in particular, by my predecessor, after the 2000 election.

Minister, I would invite you to come to my riding to see the situation for yourself. The main industry in our riding is forestry, and people have to work in factories. Some of my constituents have to travel for work, and they could find themselves disadvantaged if this pilot project is not renewed.

[*English*]

The Chair: We're out of time.

I want to thank the ministers and the deputies for coming today, as well as the departments. I'll just remind the committee that we can certainly have the minister back in the fall when she goes over her plans and priorities, as well as the supplement.

Thank you once again for attending today.

● (1100)

[*Translation*]

The Chair: Mr. Lessard.

Mr. Yves Lessard: Mr. Chairman, I do not know whether this is the appropriate time for me to table my motion, but I wanted to suggest that we invite the ministers to come back to the committee, separately, before the summer recess.

[*English*]

The Chair: We'll discuss that when we meet on Thursday.

The meeting is adjourned.

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

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

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