



House of Commons
CANADA

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

HUMA • NUMBER 048 • 1st SESSION • 39th PARLIAMENT

EVIDENCE

Tuesday, January 30, 2007

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Chair

Mr. Dean Allison

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•(1530)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): Pursuant to the order of reference of Wednesday, October 25, 2006, Bill C-257, An Act to amend the Canada Labour Code (replacement workers), the committee will now continue to hear witnesses on its study of the bill.

Before we get started, we have a somewhat different makeup to our committee from what we had before we broke at Christmastime. I welcome all the new Liberals who have new critics roles. Thank you for being here.

Ms. Davies, on a point of order.

Ms. Libby Davies (Vancouver East, NDP): I would like to move a motion dealing with the way the committee manages its business on this issue. When we recessed before the holiday break we had a couple of meetings scheduled, and unfortunately they were cancelled. We lost some time there where we would have heard witnesses, and then over the break the chair—

The Chair: Do you have a motion?

Ms. Libby Davies: Yes, I do. I'm just going to read the motion. The chair made a decision to schedule six other meetings to hear about 35 witnesses. We've already heard from 34 individuals. I have a concern that we put forward a plan to make it clear that we are managing the time, that we provide adequate time for witnesses but we not allow this to be delayed and to be stalled. We also have to make sure there is time for technical or expert witnesses to appear, as well as the clause-by-clause.

Mr. Chair, I move that in relation to Bill C-257 this committee direct the clerk to ensure that the hours of the currently scheduled committee meetings are extended as necessary so that a technical briefing be held no later than February 1 and that all currently scheduled witnesses be heard by no later than February 7 and that a clause-by-clause reading of this bill be completed on February 8.

The intent of the motion is simply to manage our time. It provides for all currently scheduled witnesses to be heard. I think the implication of this is that for possibly two meetings we might need to extend the hours so we can hear a few more witnesses during that time slot.

I've noticed that at some of the meetings anywhere from three to five witnesses have been scheduled at a time. In many other committees a greater number of witnesses would be heard. We know

the finance committee has scheduled about 16 witnesses in a two-hour period, so I feel what we're proposing is very reasonable to ensure that we can get to the technical briefing we need prior to finishing with the witnesses, just in case issues arise out of that. Then clause-by-clause would be completed by February 8, and if we need to go later into the evening on that day that would not be a problem.

So I'd like to move that motion.

•(1535)

The Chair: We are going to discuss the timetable afterwards. I have a timetable proposed, and it's not that far off what you're suggesting, so I would ask if it is okay for the committee to hear the witnesses. We will make some time at the end of the meeting to discuss the timetable, including your recommendations.

Ms. Libby Davies: My motion is on the floor because I have moved it.

The Chair: Yes, your motion is on the floor, and we will be happy to discuss that after the witnesses. We're going to leave it at that.

Madame Lavallée.

[Translation]

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): First of all, I'd like to apologize to our witnesses here, but I'm sure they'll understand that we must solve our housekeeping problems before we start hearing the testimony for which they've prepared.

I thank you very much, but I would ask you to wait a little bit, with our apologies.

Mr. Chairman, it's quite unusual for the chair to propose a timetable without consulting anyone and without calling a meeting of the steering committee. Normally, a chairman who wants to change a timetable or create one ask the steering committee to meet, and together, they determine the calendar of meetings. In this case, he didn't even attempt to do so, which is quite unfortunate, because normally we enjoy good cooperation here.

I would also like to remind you that Standing Order 117, which also applies to committees, stipulates that that is the role of a chairman. Allow me to quote from it. This will be a good thing because it will remind all of us of what the Standing Order says:

The Chair of a standing, special or legislative committee shall maintain order in the committee, deciding all questions of order subject to an appeal to the committee; ...

You will understand that what I'm doing right now is an "appeal to a committee".

The Standing Order continues:

...but disorder in a committee can only be censured by the House, on receiving a report thereof.

One cannot say that there is disorder in the committee. Therefore, the third part is of less concern to us, but the fact remains that it says that the chairman "decides all questions of order subject to an appeal to the committee". I'm currently appealing through this intervention and not only do I absolutely want to hear a statement to the effect that this will be solved before the end of this meeting, but I want us to decide immediately how much time we will have at the end of the meeting today in order to settle this important issue of the calendar of meetings, which is the subject of the NDP motion.

[English]

The Chair: Thank you, Madam Lavallée.

I refer to Marleau and Montpetit, chapter 20, where it says:

Chairs of standing and special committees also often assume a leadership role in planning and co-ordinating the committee's work and in conducting its investigations.

Based on the motions that were before us before we broke for Christmas, we've put together a tentative plan. We will make some time at the end of this meeting to discuss the rest of the details of that plan. We will make sure we have time for Ms. Davies' motion.

Madame Lavallée, I reiterate that we will have time to look at the schedule of events before us, and we'll make sure we make the time tonight. Thank you very much.

Do we have any other individuals?

[Translation]

Mrs. Carole Lavallée: Mr. Chairman, how much time will we have exactly?

[English]

The Chair: We'll leave the customary half-hour before that's given to hear the witnesses. But if we need additional time, based on the committee we can certainly make sure we spend that until we have some resolution on it.

Ms. Libby Davies: Based on your suggestion today, at an earlier meeting when the mover of the bill, Monsieur Nadeau, came to speak to his bill, why did you allow a full discussion right in the middle of his presentation? You seemed to have no objection then to putting something off until the end of the meeting in planning the time. Why did you decide that then, but you're now saying this should be put off until the end of the meeting? It seems very contradictory.

I'm sure you remember that meeting when the mover of the bill, Monsieur Nadeau, was here. Basically one of your members interrupted him in the middle of his presentation and you allowed that to happen. It was ruled to be in order.

•(1540)

The Chair: If the members of the committee would like to continue to debate this, I'm just saying that on the orders of the day there was already time set aside for this. That was a new motion at

the time, so there has been time allocated for that. If you look at part two, committee business in camera, there is a proposed calendar of future business.

Once again, I'm at the will of the committee. Should the committee want to discuss this, my suggestion is that it is already on the paper to be discussed and it will be discussed. We'll sit here as long as it takes.

Mr. Lessard.

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Chairman, because I was on duty in the House of Commons, I had to arrive a little later than I anticipated and I do apologize to you and my colleagues.

Mr. Chairman, your decision surprises me. On three occasions, on three different days, when we began work with the witnesses... My NDP colleague has just pointed out that when Mr. Nadeau and the minister testified, they were interrupted by a Conservative Party motion to amend the order of business.

Mr. Chairman, I do want to cooperate with you, but we have to know exactly how you intend to chair this committee. You said on three occasions, on three consecutive days, that it was acceptable and provided for under the rules to have a motion at the beginning of the work of the committee even though witnesses are present; today, you are telling us that is no longer the case.

I'm not calling your authority into question, but I would like to know how we are to conduct ourselves given the way you are chairing this committee.

[English]

The Chair: Thank you, Mr. Lessard.

What I would like to point out again is that on the order of business, we have time to look at the schedule, as was suggested. What happened with those days is that the information was not on the schedule, so it was at the will of the committee to move forward with that. That time has been set aside. My suggestion is that we look at that issue and deal with it in due course.

Ms. Yelich.

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Chair, I'd just like to point out that Mr. Nadeau is a parliamentarian. There is quite a difference and quite a comparison to make between talking about witnesses who have come in from out of town who have had to work just to be here today and to get their presentations ready in both official languages. I think there is quite a difference between them and parliamentarians being witnesses. I would just like that to go to the record. It's etiquette that we are talking about.

Thank you.

The Chair: Okay.

Monsieur Lessard.

[Translation]

Mr. Yves Lessard: I did listen to my colleague's argument, but it doesn't hold up. Indeed, when the chairman's motion was adopted by a majority, we had outside witnesses before us. They were not parliamentarians, Mr. Chairman.

[English]

The Chair: Okay.

We have our first witness. The way it's going to work today is that it will be seven minutes per witness. There will then be two or three rounds of questioning. The first round will be seven minutes, followed by a second round of five minutes.

We'll start with Mr. Lampert and Mr. Alley. You have seven minutes. I will let you know when you have one minute left.

Mr. Lampert, for seven minutes, please.

Mr. Jerry Lampert (President and Chief Executive Officer, Business Council of British Columbia): My name is Jerry Lampert. I am president and chief executive officer of the Business Council of British Columbia. I want to thank the standing committee for the opportunity to be present here today and to present our views on Bill C-257. We appreciated the committee's offer to appear by teleconference from Vancouver, but given the importance of the legislation you are considering, we felt it was essential to be here in Ottawa.

The business council is an association representing major enterprise in British Columbia. Our members are drawn from all the major sectors that make up the provincial economy. In our 40 years, the business council has been an active voice and participant on labour and employment issues at the provincial level and the federal level.

As British Columbia has had replacement worker legislation since 1993, the business council believes it can offer the committee a unique perspective on such legislation. I would also point out that we've been active participants in the periodic review of the Canada Labour Code, including the in-depth review of part 1 conducted by the Sims task force.

Our submission has been distributed to you.

Before turning our presentation over to Doug Alley, vice-president of human resources and labour relations with the business council, let me leave you with this thought. Bill C-257 raises broad economic concerns. The industries covered by the Canada Labour Code provide services and manage infrastructure essential to the smooth functioning of the national marketplace and have a direct impact on local communities right across the country. There is much at stake in your consideration of Bill C-257.

We're here to indicate to you as best we can that we do not believe this legislation should proceed.

I want to turn it over to my colleague, Doug Alley.

• (1545)

Mr. Doug Alley (Vice-President, Human Resources, Business Council of British Columbia): Thank you.

Because B.C. passed replacement worker legislation a few years ago, I think it's important that you understand fully how this occurred.

When the NDP provincial government was elected in 1992, it did a full review of what was then the Industrial Relations Act through a special subcommittee consisting of one employer representative, one representative from the trade union movement, and a neutral chair. They agreed on 95% of the new labour code. There were four issues they did not agree on, one of them being replacement worker legislation.

The adviser for the employers recommended that nothing be done on replacement workers. The labour adviser recommended a limited ban on replacement workers. The neutral chair was in between, talking about a mechanism to settle a dispute where replacement workers were used.

What came about, however, was something far beyond what the committee even remotely recommended. The government at that time arbitrarily decided to incorporate restrictions on the use of replacement workers into the revised code. The employer community at the time did not support this and felt it tipped the balance of the labour code in favour of trade unions. We have never changed our position.

We do an annual member survey on labour and employment legislation, and the removal of the prohibition on the use of replacement workers tops the list every year. We will continue to press our provincial government to remove this provision from the B.C. code.

I want to talk briefly about what we have in B.C., versus what's proposed in Bill C-257. While employers in B.C. find the replacement worker legislation repugnant, what we find under Bill C-257 is even more draconian. Employees under the B.C. code can cross a picket line; they cannot do so under this. Employers can attempt to manage their businesses under the B.C. legislation; under Bill C-257, they cannot.

The only thing an employer can do is manage his business to avoid the destruction of his or her property, or for conservation matters. In other words, a struck employer would not be allowed to continue to produce goods or provide services, no matter what the consequences.

This will have a great effect not only on employers but on the public at large. We believe that the measures contained in Bill C-257 are extremely harsh and far exceed anything found in any jurisdiction in North America.

I don't have to tell you that Canada doesn't operate in a vacuum. Investors seek stability and familiarity. Generally investors prefer the same rules across jurisdictions. They are reluctant to invest dollars where jurisdictions differ.

In our submission to the Sims task force in 1995, we stated:

A legislated prohibition on the use of replacement workers would greatly increase regulatory disparities between Canada and the United States, and thus erode Canada's ability to compete and to attract new business investments.

We still believe that to this day.

We believe that there needs to be a balance in the labour code. We believe that Sims found this balance when he made his recommendations in the 1990s, and the Liberal government adopted them in 1999.

We believe that suddenly including a replacement worker provision in the Canada Labour Code will have negative effects on investment, and not only on employers but on their workers and communities. We do not want to see businesses structure themselves so that they could possibly leave our jurisdiction—that is in no one's best interest.

I would like to point out that HRSDC did a study. Proponents of the bill have argued that replacement worker legislation will shorten the duration of strikes. The HRSDC study, which was produced last year in October, proves the opposite.

As my colleague Mr. Lampert said, we believe that good labour and management relations involve valuable input from both sides. By this, in our view, the bill should not pass.

• (1550)

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

We're going to move to Mr. Koshman, from the British Columbia Maritime Employers Association. Mr. Koshman, you have seven minutes, please.

Mr. Jason Koshman (General Counsel, British Columbia Maritime Employers Association): Thank you, Mr. Chair.

My name is Jason Koshman. I'm general counsel with the British Columbia Maritime Employers Association.

We wish to thank the committee for this opportunity to appear before it on Bill C-257.

The BCMEA is a federally regulated not-for-profit employer association representing 70 member companies on Canada's west coast. All our member companies are involved in port operations and in shipping. The BCMEA is the labour relations and collective bargaining agent of west coast waterfront employers. Our partner and counterpart is the ILWU Canadian area. The union represents our valuable employees from as far north as Prince Rupert, British Columbia, to as far south as Delta, B.C., and ports in between, including those on Vancouver Island.

In appearing before the committee today, the BCMEA wishes to draw two important points to the committee's attention. The first is the Sims task force. In 1995 the federal Minister of Labour appointed a task force to conduct a comprehensive review of part I of the Canada Labour Code. Wide public consultation with federal employers, trade unions, academics and other interested parties took place over several months across every major centre in Canada. The task force took almost two years to complete its work and produced a report with recommendations on amendments to the Canada Labour Code. That report was entitled "Seeking a Balance".

A very specific section of that task force's mandate was to examine the issue of the need for and possible scope of restrictions on the use of replacement workers. In short, the issue that is now the subject matter of Bill C-257 was thoroughly analyzed and reviewed by the

task force. In chapter 9 of its report it described the issue as follows, and I am going to cite from the report itself:

No issue divides the submissions we received more than the issue of replacement workers. Labour was virtually unanimous in favouring a legislated prohibition on the use of replacement workers (a so-called "anti-scab" law). Management was equally unanimous in its opposition to such a proposal.

The task force carefully and thoroughly analyzed arguments for and against such a measure in the federal sector. Ultimately they concluded as follows, and I'll quote again:

Replacement workers can be necessary to sustain the economic viability of an enterprise in the face of a harsh economic climate and unacceptable union demands. It is important in a system of free collective bargaining that employers maintain that option, unrestrained by any blanket prohibition. If this option is removed, employers will begin to structure themselves to reduce their reliance on their permanent workforces for fear of vulnerability, to the detriment of both workers and employers alike.

and then,

Once the strike or lockout commences, we believe that it should be fought out on the bargaining issues, not on the question of representation. Replacement workers should only be prohibited where they are used for an illegitimate end. Our recommendation can achieve this while preserving the basic balance of collective bargaining.

The Sims recommendation on this very issue saw the enactment of subsection 94(2.1) under the current Canada Labour Code. It is our view and that of our members that Bill C-257 clearly undermines the significant consultative work of the task force and the resulting enactment of subsection 94(2.1).

Bill C-257 substantially amends the code and is far more draconian than existing B.C. replacement worker legislation. It is our view that balance was achieved with the enactment of subsection 94(2.1), and Bill C-257 threatens this balance. We believe that Bill C-257 pushes the pendulum too far. Moreover, it amends the current code just a few short years following the enactment of subsection 94(2.1), and it should be noted that since the subsection's enactment, Parliament has not on a single occasion had to enact legislation forcing a federal labour dispute to an end.

The second point the BCMEA wishes to draw to the committee's attention is the nature of Canada's federally regulated industries. Federal industries regulated by the code are infrastructure industries necessary for the economy of Canada and the well-being of all Canadians. The ability of federally regulated employers to operate and to sustain their economic viability is important to all Canadian businesses, not simply those under federal jurisdiction. A halt to the provision of port services, telecommunications, air travel, banking, or other federally regulated industries has profound effects on all of Canada. Indeed, Parliament has been forced to intervene in work stoppages in west coast ports on several occasions through back-to-work legislation, due to the negative effects on Canada's economy when trade stops moving through the west coast ports. Examples are the West Coast Ports Operations Act of 1972; the West Coast Ports Operations Act, 1975; the grain handling operations acts of 1991; West Coast Ports Operations Act, 1994; and the West Coast Ports Operations Act, 1995—and this list does not include legislation relating to national railways, which occurred in 1995.

• (1555)

We feel it important to note that a work stoppage at a unionized pulp mill, mine, or factory in the province of Quebec or the province of British Columbia, although detrimental, does not carry national ramifications to Canada's economy. A halt to port operations or national rail operations clearly does. Restrictions on the use of replacement workers for federally regulated industries must be seen in the context of this reality, one that the Sims task force clearly recognized when recommending enactment of what is now section 94(2.1).

In conclusion, the task force chaired by Andrew Sims thoroughly reviewed the issue of restrictions on the use of replacement workers in Canada's federal sector. Its recommendations were reasoned and thorough, following extensive and wide-reaching consultation and resulting in the enactment of section 94(2.1). Balance was achieved and has been maintained without Parliament having to end federal disputes since its enactment.

Bill C-257 is not provincial legislation affecting one local region. Canada's national industries regulated by the code are the lifeblood of the economy and essential to all Canadians.

Thank you.

The Chair: Thank you, Mr. Koshman.

We're going to move now to our third witness, Mr. Winter, from the Coalition of BC Businesses. You have seven minutes, sir.

Mr. John Winter (Vice-Chair, Coalition of BC Businesses): Thank you, Mr. Chairman.

Good afternoon. My name is John Winter, and I'm here to represent the Coalition of B.C. Businesses. I'm also the president of the B.C. Chamber of Commerce. Thank you for the opportunity to present today.

The B.C. chamber is one of 16 business associations that comprise the coalition, which has been acting on behalf of 50,000 or more small and medium-sized businesses since 1992. The coalition supports labour policies that will help foster a positive working relationship between employers and employees and a climate for

economic growth and jobs. We are relieved the committee agreed to expand its consultation on this critical piece of proposed legislation.

We speak on this issue with some authority and some experience. As you may know, B.C. has a legislated ban on replacement workers, and has had it since 1993. Over that time, we have become quite familiar with the same myths and misinformation that proponents of Bill C-257 have been offering up. Chief among them is the erroneous assumption that a ban on replacement workers levels the playing field between labour and management.

Take, for example, a neighbourhood bakery in Vancouver and the relative leverage of the parties involved in a labour dispute. On the one hand, the striking employees have the ability to continue earning a livelihood by working elsewhere if they so choose, a scenario quite likely in today's hot economy and worker shortage. On the other hand, the bakery owner's ability to maintain his livelihood, without staff, is all but eliminated. Remarkably, it's against the law in B.C. for him to even hire family members to keep those ovens operating. All the owner can do is to carry on under the burden of an over-worked and over-stressed management, who are putting in extra hours and doing the job of multiple employees for the length of the strike, which could be months.

There is no sure outcome for that bakery owner. The striking employee is legally guaranteed his job when the strike is over, a principle that the coalition supports. The union is guaranteed the right to bring in replacement pickets to keep the pressure on for as long as it takes, but the employer has no ability to take action to keep that business afloat. His entire investment is at risk.

Meanwhile, loyal customers are taking their business elsewhere to avoid the strike. Fewer bakery goods are sold, and sales will drop. It will be an uphill and costly battle for the baker to win back lost business after the employees return to work—that is, if there is still a viable business to come back to.

Small businesses in British Columbia know they have little choice about whether or not to endure a strike. They simply cannot do so. The options a small-business owner faces in this so-called level playing field are essentially three: to shut down; to give in to union demands to avoid a strike that it knows it cannot withstand; or thirdly, in the event of a strike, to seek a quick settlement rather than a settlement that serves the long-term viability of the enterprise and the jobs it supports.

In British Columbia, it is no wonder that owners of many small and medium-sized businesses likened the ban on replacement workers to a gun pointed at the heads of employers.

In the coalition's view, the ban on replacement workers tilts bargaining power excessively toward unions and undercuts the effectiveness of the negotiation process. It is that fundamental imbalance that explains why opposition of B.C.'s employer community to the replacement-worker ban remains undiminished 13 years after it was introduced.

As my colleagues from the B.C. Business Council have noted, this bill is more damaging than the B.C. legislation in several respects. Instead of restricting itself to banning replacement workers, Bill C-257 even prevents employers from attempting to operate their own business during a strike. For example, the owner of a small interprovincial trucking operation cannot even drive the truck himself during a strike. Bill C-257 prohibits him from engaging in any productive work to try to keep that business running.

The second point is that employees of the business are not permitted to disagree with their union and to cross the picket line to do the job during the strike. This is permitted in British Columbia, but would be outlawed under Bill C-257.

On December 7, the president of Teamsters Canada stated before this committee that Bill C-257 is about dignity and respect for workers. How does depriving Canadian employees of their fundamental right to dissent from their unions' decisions and choose to work further dignity and respect for workers? This is imposition of union solidarity through legislation.

The coalition wonders whether these provisions of Bill C-257 would be consistent with the freedom of association and the freedom of expression protected by the Canadian Charter of Rights and Freedoms.

There can be no question that Bill C-257 is wholly inconsistent with another principal tenet of labour law; that is, the spillover effect of labour disputes between a particular employee and its union. Any spillover should be limited as much as possible to avoid harming third parties who are not involved in the labour dispute.

• (1600)

This bill applies to federally regulated companies that are vital to the national economy, such as transportation, telecommunications, and financial services. Granting organized labour the ability to shut these businesses entirely, through Bill C-257, would have a catastrophic domino effect extending far beyond the direct impact to federally regulated businesses.

Small and medium-sized enterprises are third parties to a labour dispute and have much to lose. How, you ask? Here are four examples: the manufacturer who depends on the railways to ensure just-in-time delivery of components to the factory; retailers and their customers who rely on the financial services sector to process millions of payments, transactions, every day; the small business that depends on Canada Post to deliver its goods to customers in a cost-effective manner and the customers who are depending upon the timely receipt of these goods; and the millions of businesses, including home offices, that depend on the services of telecommunications companies for their telephone, fax, and e-mail communications.

In the event of a federal labour strike the average Canadian small or medium-sized business does not have the ability to quickly adapt

and find new suppliers, distribution networks, or communications service providers. The burden of Bill C-257 on these enterprises and the families and employees who run them is simply staggering.

The Coalition of B.C. Businesses supports the basic tenet that this committee has heard in previous testimony that laws should only be changed to address real and pressing problems. The onus is on the advocates of Bill C-257 to demonstrate that Canada has a problem to resolve with the use of replacement workers. They have failed to do so.

In the 20 years prior to the adoption of the Sims task force recommendations and the 1999 amendments to the code, the federal government had to enact emergency back-to-work legislation 17 times. Since then, there's not been a single instance when the federal government has had to impose a settlement through emergency legislation.

The Coalition of B.C. Businesses respectfully urges this committee to recommend to the House that this legislation be rejected, as Parliament has had the wisdom to do nine times previously.

Thank you for the opportunity to be heard.

The Chair: Thank you, Mr. Winter, for being right on time at seven minutes.

We're going to move to the British Columbia Federation of Labour. We have Mr. Sinclair. Seven minutes, sir.

• (1605)

Mr. Jim Sinclair (President, British Columbia Federation of Labour): Thank you very much.

I thought I got all their time to respond to them, since I'm the only one.

It probably comes as no surprise to anybody here that the view of a picket line from the lunchroom is a little different from the view from the boardroom. People have different interests on this question at times, and you're balancing out those interests, no question about that.

As a 17-year-old I attended my first picket line. A group of immigrant women were on strike. They were using what we traditionally call "replacement workers" to try to keep the factory running. That day I witnessed two people get run over by a bus. For a kid who didn't have much experience with violence, it was quite an eye-opener as to how labour relations take place—in Ontario in that case—and the kind of violence that takes place on those lines. That had a lasting impression on me in terms of what makes good labour relations. Violence, and the violence that often occurs around replacement workers, and the battle that goes on in communities where we don't have that protection, is a step backwards for labour relations, not a step forward.

This federation represents half a million workers in British Columbia. It comes as no surprise to you that we support this legislation. We believe it brings balance to the Canada Labour Code. We believe it makes collective bargaining and gives it the rights it should have. It doesn't allow a party to go find another party to introduce into the dispute to try to take it in a different direction.

The presenters have pointed out that in 1993 we introduced anti-replacement-worker legislation in British Columbia. At the time it was introduced, John Bagent, who was a member of the panel representing labour and a well-known arbitrator for the rest of his life in the labour movement, said this, and I think it's important to put it in context:

In our visit to Quebec both management and union officials advised us that their worker replacement legislation has worked well and reduced the incidences of picket line violence. In fact, the prohibition was strengthened in 1987 after initial "fears that (the law) would hamstring employers and scare away investment proved unfounded" (Globe and Mail, September 7, 1992). The underlying assumption in the Quebec experience is worth emphasizing at the outset. In a mature collective bargaining relationship the parties recognize that the use of replacement workers does not solve collective bargaining issues; it simply exacerbates them.

In British Columbia, after that was introduced the use of replacement workers dropped to just about zero. The sky did not fall, the economy did not plummet, and employers did not flee, packing their bags for a brighter site somewhere else because of that legislation. In fact, our economy has gone forward and has grown fairly dramatically in the last five years. The existing government would claim that it's the best economy in Canada.

The existing government is worth commenting on. The NDP did bring in this legislation, and it was reviewed by the Liberal government—a pro-business government, at least judging from their donations. So a very strong anti-labour government to our side.... We've had some very big things, including almost general strikes in British Columbia with this government. But they did make a decision in 2001. They announced that they were not going to repeal this legislation, despite an appeal from many of the colleagues at the table today. They said it was about balance at the time, and that balance was not going to be upset by the new government. In fact, it was not a detriment to the economy of British Columbia. In their first term of office they broke a number of promises, but they didn't break that one.

Then we got to 2005 and there was another election—yet another opportunity for the government to change their mind. Of course, the business community argued to change their mind, and at that time they rejected that.

I think it's important for me to read into the record what the labour minister said at that time, because it speaks to many of the arguments being made here today. This labour minister, by the way, was the owner of a small, non-unionized business in British Columbia. It was a well-established grocery business on Vancouver Island—and he was the labour minister.

In responding to a question about the business council's demand to repeal replacement workers, this is what Minister Bruce said:

Why upset what is historically the quietest labour relations in 50 years? Replacement workers won't attract investors to this area. Investors want to know that there's labour peace, not war.

I think that captures a lot the same view of the world. It's labour peace we're looking at. Our government would argue that investment has flown to British Columbia dramatically, that we haven't had a downturn. They'd argue that many other factors are much more relevant than this particular one.

● (1610)

I would argue that labour relations have done very well in British Columbia under this. But that is not a government of the left or the centre-left; that's a government of the right, composed mostly of small-business people saying that replacement workers actually don't scare away investment, and that at the same time labour peace is what brings investment. That's what this bill is about—labour peace.

There are a couple of questions about philosophy and arguments on the points of what it means for essential services, and for the ports. In my recollection of British Columbia of about 30 years, I do not remember a time when replacement workers were used in port disputes. I've never seen them being brought into those disputes.

There are provisions. We have a code so that essential services aren't left undone. There are lots of ways to deal with this issue. Actually, I think that if you're relying on strikebreakers to provide essential services, that's actually a backwards step. In fact, it's much better to sit down with the parties and figure out what essential services are required for the parties and to make a decision to do it that way, because I think it's a false and foolish argument that we should have the right to use strikebreakers to provide essential services. I don't think it works.

I would point out, in my last minute, that the Telus dispute was the most recent dispute in which replacement workers were used massively in our province. It dragged on and on, and certainly the balance of power was far in favour of a multinational company that could bring in strikebreakers and export work. The end result was that we lost jobs, and labour relations were set back miles at that company. I have no doubt it would have been a shorter strike—lockout in this particular case—if the company could not have brought in replacement workers and could have, as they always did in the past, operated the company, at least on a minimal level, using their management.

I urge you to have the courage to pass this bill and to go forward with labour relations, not step backwards.

The Chair: Thank you, Mr. Sinclair.

We're going to move now to our last witness. From the Canadian Manufacturers and Exporters, we have Mr. Hattin as well as Mr. Laurin.

Gentlemen, you have seven minutes.

[*Translation*]

Mr. Jean Michel Laurin (Vice-President, Research and Public Affairs - Quebec Division, Canadian Manufacturers & Exporters): Thank you, Mr. Chair.

Good afternoon, everyone. My name is Jean Michel Laurin, and I am Vice-President of Research and Public Affairs for the Quebec division of Canadian Manufacturers and Exporters. I would like to thank the committee for the opportunity to express the views of the manufacturing and exporting community on the bill that is before you.

I'm pleased to be accompanied by Mr. Robert Hattin, President of Edson Packaging Machinery Ltd., an Ontario manufacturing firm, and he's one of our active members.

Before continuing, I wish to say a few words about our organization. Canadian Manufacturers and Exporters is the nation's largest trade and industry association. We have members in all ten Canadian provinces. We represent all sectors and sub-sectors of Canada's manufacturing and exporting communities, including equipment manufacturers, such as the one represented by my fellow panellist, in addition to businesses from other industrial sectors.

In Canada, the industrial sector creates 2 million jobs. This may represent 17% of our GDP, but amounts to two thirds of all exports. Two thirds of all Canadian exported goods are manufactured here. The export sector is currently facing significant challenges, but remains very important and constitutes Canada's economic engine.

[*English*]

We are here today because we're opposed to Bill C-257, notably because of the impacts it could have on Canada's exports and also because it prescribes a cure for which we don't see any ill.

Our members at CME depend on Canada's trade infrastructure to ship their products to their clients, to get the raw materials and the machinery they need, and to meet clients and suppliers inside and outside of Canada. The services provided by railway companies, trucking companies, ports, telecommunications service providers, and financial services providers are all essential for us. Without them, manufacturers simply can't operate their businesses, because these services are such an integral part of our operations.

I'll turn it over to Rob, who will explain in greater detail our specific concerns with this piece of legislation.

Mr. Robert Hattin (President, Edson Packaging Machinery, Canadian Manufacturers & Exporters): Thank you, Jean-Michel.

I'm trying to put the face of a small, growing enterprise, based in Ontario, to the effects that we anticipate with Bill C-257. My name is Robert Hattin, and I'm the president and chief executive officer of Edson Packaging Machinery. We're a medium-sized technology company based in Hamilton, 40 kilometres from the New York border. We employ engineers, labourers, accountants, and marketers. We're a very diversified but small and growing organization. Eighty percent of our technology and our products are exported mainly to the U.S.

When we reviewed this, I read the bill and was asked to put the face of Bill C-257 to a small, growing organization, and I came away with this: we see no compelling reason for Bill C-257, and therefore obviously we recommend the rejection of this bill as it is currently written.

Our first issue is that it really is going to undo an act of Parliament that was constructed in 1999. What we see is balance, and I think the gentleman, and even Mr. Sinclair, has indicated that there has not been much labour strife since 1999.

It seems to me—and again, we're a small organization—that the infrastructure we rely on is absolutely important, and our customers, 80% of whom are non-Canadian and rely upon efficient ingress and egress of goods and services, would assume that we have an efficient system for which there are no disputes and there are no disruptions.

My company and tens of thousands of other exporters rely upon these essential services, whether it's trucking companies, ports,

railways, telecommunications, banks, and so on. Our economy really is so tightly integrated—it just is—that if any of those shut down, millions of Canadians are not just inconvenienced, they are instantly inconvenienced. People don't get paid. Cashflow goes down the tube, especially for many of the small businesses that are not even exporters.

Let me give you an example on a broader scale. In 1998 there was a strike at a Flint, Michigan, brake plant. They made the brake pads for Chevrolets, of all things. It went on for two months and resulted in a \$20-billion economic disruption in Canada, caused layoffs at General Motors in Oshawa, and so forth, because they couldn't get a simple brake pad. That was one strike, one company, and it had that serious an effect.

If we see Bill C-257 going ahead—I flew up here—a strike by a de-icing crew or security workers would disrupt all air travel. And I'm sure that for you, as members who have to go back to your constituencies, those things would certainly be not just inconvenient but inefficient for your representation.

The second issue that struck me was the omnibus size and severity of this bill. As other people have said, it seems like a pill for which there is no ill at the moment. But the part that bothers me, especially, is the fact that it doesn't provide exemption for essential services. I'm not certain, but the way it's written, it just seems so broad-based that it could be very damaging to the safety and security of people who are reliant upon many of these things.

I'll try to put a little bit of a face to what we have seen. We have recently imported equipment from Italy. It went through at least five groups of federally regulated employees. The machine got here in two weeks. Excellent. Our customer, who's in the United States, to whom we'll re-export this, is saying, "Great job; we rely upon that and we'll continue to do business with you." That's kind of the heightened sense of integration that our economy relies on.

I'd like to just step back and say that when our company does 8,000 banking transactions and 198 flights and mails thousands of letters a year, is this something we really need? For us, I look at the point Mr. Sinclair made. Have we reached that point in our maturity of industrial relations where we need this counterproductive legislation?

Thank you.

• (1615)

The Chair: Thank you very much.

We're now going to move to our first round of questioning, with seven minutes of questions and answers, followed by a second round of five minutes.

We're going to start with the official opposition, the Liberal Party, with Mr. Silva for seven minutes.

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

I also want to thank the witnesses who have come before the committee.

This legislation that's before this committee needs guidance particularly from the B.C. and Quebec models, to see what the similarities and the differences are. That is what I think I need to understand further from the witnesses. Unfortunately, there wasn't a great deal of clarification. I'm hoping that with my questions, there could be some.

I had an opportunity to look at part 5 of the Labour Relations Code from British Columbia. From what I read—and I want to make sure this is correct—in terms of the areas of difference between the B.C. model and this particular model, one is on the issue of employees being able to cross the picket line.

A second is the issue in clause 3 of the bill, which talks about \$1,000 fines per day. I believe there is a maximum of \$10,000 in B.C., so that was the other major difference that I saw between the B.C. code and Bill C-257.

I'm not sure the third one is major or minor, but it's on the issue of the essential service provision of the act, which is paragraph 72(1)(i), it speaks of "health, safety or welfare of the residents of British Columbia". When it deals with essential services under the present legislation that we have, part I of the Canada Labour Code basically speaks of health and safety as the provisions that need to be resolved before one can go on strike. It seems that the only added caveat is the welfare.

Mr. Jason Koshman, are you a legal expert? I would like to hear from somebody from labour and somebody else from the business community so that I can figure out what the similarities and the differences are between the B.C. code and Bill C-257.

• (1620)

Mr. Doug Alley: Maybe I can respond somewhat.

There are two big differences that I see. One is the issue of being able to cross the picket line. The other issue is the ability of the employer to operate.

Mr. Mario Silva: I want you to point that out to me in the legislation.

Mr. Jason Koshman: Under Bill C-257, at clause 2, a plain reading of proposed subsection 94(2.1) would indicate that you are permitted to use management in some capacity.

Mr. Mario Silva: I'm sorry, but could you repeat that again?

Mr. Jason Koshman: Let me find the provision. My apologies. It's proposed subsection 94(2.2), on page 2 of the draft bill. The exception reads:

...an employer may use the services of the following persons during a strike or lock-out:

(a) a person employed as a manager, superintendent or foreman...

and so on. On its face, that says an employer who is struck could use a manager or managers to at least keep the viability of the operation going.

If you turn to the next page, under proposed subsection 94(2.4), that supposed ability to use managers is in effect undone by proposed subsection 94(2.4). What it says is:

The measures referred to in subsection (2.2) shall exclusively be conservation measures and not measures to allow the continuation of the production of goods or services....

[Translation]

Mrs. Carole Lavallée: Mr. Chair, on a point of order. This is not the first time we have pointed out what appears to be an error in translation. Section 94(2.4) refers to no other section than 94(2.3). The exact same wording can be found in the Quebec Labour Code, which I have here with me. This may not correspond to what our witnesses are stating, Mr. Chair. Perhaps they should be told before beginning.

[English]

The Chair: Madame Lavallée, this is not a point of order. Once again, it outlines the difficulty of the bill in the way it's written. These are some of the concerns that we have, and this is what Mr. Silva is trying to figure out.

I'm going to restart your time, Mr. Silva. You have three minutes left.

Mr. Jim Sinclair: I can respond from labour's point of view, if you want. The fundamental difference is that during a labour dispute in British Columbia, if you were employed by the employer prior to the commencement of collective bargaining, you can walk across the picket line legally. That's the fundamental difference in this. Let me tell you what that leads to.

Mr. Mario Silva: I don't want to interrupt you, but what I want to know are facts. I want people to show me, in Bill C-257 and the B.C. act, what the similarities and differences are.

Mr. Jim Sinclair: I can explain to you the basic difference.

Mr. Mario Silva: Show me where it exists in the bill.

Mr. Jim Sinclair: I can explain the basic difference. I don't have the bill, but if you want to give me a copy of the bill, I will find it for you. I can explain how it works. I have been under that code for 20 years.

But if you're not.... That's fine. Sorry, I thought you said you wanted to hear from labour.

• (1625)

Mr. Mario Silva: I do, I do, but I want people to be very specific so I know exactly what the similarities and differences are.

Mr. Doug Alley: Mr. Sinclair is correct. People may cross the picket line in B.C., as long as they were hired before notice to collective bargaining was given. In effect, this allows the employer to continue to operate, if they so choose, by using people who cross the picket line—which happens rarely in B.C. It also allows them to continue to operate by using managerial staff, as long as it is a normal place of their operation.

I think that's in section 68 of the code. There have been several decisions from the B.C. Labour Relations Board that have interpreted what that means.

That's what I think Mr. Sinclair and I are both saying. As we read it, under the proposed Bill C-257, if you're a struck employer, you're not allowed to do anything. Our contention is that some people think the right to strike is balanced by the right to lock out. We say no, the right to strike is balanced by the right to continue to operate. That balance is not struck in this Bill C-257.

Mr. Mario Silva: So are you then saying the conservation measures are the issue of contention? Is it one of the differences from the B.C. bill?

Mr. Doug Alley: One of the differences, yes.

The Chair: There are 30 seconds left. Quick question.

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Hopefully you'll be able to answer this in the 30-second time allotment we have left.

In reading some of the previous transcripts, I believe the B.C. council submitted a letter to the committee. I think you also spoke today about the fact that this bill would actually act as a deterrent to potential investors, as they would be looking for some sort of stability. Do you have any type of empirical evidence at all about how investment in B.C. has been affected? We can take a look right now across the country and B.C. is doing quite well. How will a ban on replacement workers affect investors? Do you have any actual concrete evidence to this effect?

The Chair: Mr. Alley, a quick response. We'll maybe have to pick it up in the next round.

Mr. Doug Alley: The very quick response is that our economy is booming, in spite of the replacement worker legislation. But we get a lot of phone calls in our office from potential investors wanting to know if we still have the replacement worker provision. They don't want to put an investment at risk, and they have said that as long as that's there that's one thing they would have to consider very strongly before investing in the province.

Ms. Ruby Dhalla: But there is no research data?

Mr. Doug Alley: No, there is not.

The Chair: Thank you very much, Mr. Alley and Ms. Dhalla.

We're going to move now to the Bloc. Madame Lavallée, seven minutes.

[Translation]

Mrs. Carole Lavallée: Thank you very much, Mr. Chair.

I wish to begin by telling you that I am a bit taken aback by the type of remarks being made by the employers' representatives. However, in another way, I am not very surprised. I am surprised by the fact that you do not seem to have examined the information very carefully before making your comments. Most of you have already met with national representatives. I am referring to the Canadian Chamber of Commerce, whose representatives appeared before us and made arguments similar to yours. We countered their arguments and that is why I am surprised that you are coming back with the same false arguments raised by representatives of the Canadian Chamber of Commerce.

I am also surprised because many other employers' representatives have appeared and made certain comments. For example, the Canadian Bankers Association forecast a total catastrophe for the banking system, although less than 1% of its employees are unionized. This bill does not really affect them.

Representatives from the Canadian Railway Association also predicted a catastrophe. According to them, Canadian railways would all of a sudden cease to operate if this bill were to pass, but we all know very well that even if they wanted to hire replacement workers, they are unable to do so because railway workers are simply irreplaceable.

Representatives from the Canadian Airports Council also predicted a major disruption. A few years ago, there were strikes at Canadian airports, including the one in Quebec City. The strike lasted several months, and went unnoticed. It was not because people stopped travelling to Quebec—on the contrary, people go often. The reason is because under section 87.4 of the Canada Labour Code—Mr. Hattin, I believe you will want to take note of this—employees are prohibited from going on strike if there is a threat to public security. This is the case, for example, for workers in charge of defrosting aircraft wings.

On the other hand, there have been many examples given of businesses that are not subject to the Canada Labour Code. For example, Mr. Winter talked to us about the case of bakeries. What is the point of mentioning them? We know that bakeries are not governed by the Canada Labour Code and that they will not be subject to bill C-257 once it is adopted. In addition, Mr. Hattin also talked about packing businesses. I am not quite sure, but I am not under the impression that those businesses are subject to the Canada Labour Code either.

As well, representatives from the Canadian Chamber of Commerce talked to us about the famous section 94(2.4) and predicted a catastrophe, because bill C-257 would spell out the end of a business. I then set the record straight. I would be more than pleased to provide you with the same explanation, but I hope that those who will appear in the future will read today's transcripts, or if they are here in the room, those people will listen and not repeat the same thing. You can understand that I am a bit frustrated by having to constantly repeat the same things.

Sections 94(2.3) and 94(2.4) and the entirety of bill C-257 are identical to the provisions of the Quebec Labour Code, word for word. Sections 94(2.3) and 94(2.4) match section 109.3 of the Quebec Labour Code. Unfortunately, I cannot table a copy of this provision, because it is only in French, since it is a Quebec piece of legislation. Therefore, I will read the provision and our interpreters will translate. You can check for yourselves. The respective provisions are identical. Section 109.3 of the Quebec Labour Code therefore reads as follows:

The application of section 109.1 does not have the effect of preventing an employer from taking, if need be, the necessary measures to avoid the destruction or serious deterioration of his property.

Such measures must exclusively be conservation measures and not measures designed to enable the continuation of the production of goods and services which section 109.1 would not permit otherwise.

I hope that I didn't read the passage too quickly and that the interpreter was able to translate properly, but this is exactly as it is written in the Quebec Labour Code. This section refers to a preceding section, just as section 94(2.4) refers to the preceding section 94 (2.3).

Did you understand, or do I need to repeat it? Did you understand? Silence gives consent. I can therefore gather that you have understood that there will be no catastrophe and that a company subject to the Canada Labour Code will remain in a good position to keep operations running, even under the provisions of bill C-257, with the help of its managers and the managers in the branches that go on strike.

• (1630)

Bill C-257 would allow for all services to be grouped into one single branch, if several branches are on strike with the same union. This is exactly what has been going on for the last 30 years. Quebec has been operating this way since 1977, and it is now 2007. It has therefore been 30 years, and there has been no catastrophe.

Mr. Winter, you're not the only one to have made an error in jurisdiction. The Minister of Labour came before the committee and said that the outlook was horrible, because 911 services would be completely paralyzed if workers went on strike. 911 workers have been governed by the Quebec Labour Code for the last 30 years. There have been strikes, and services were not paralyzed because Quebec was able to invoke something else: essential services. Essential services as defined in the Canada Labour Code are quite similar to those set out in the Quebec Labour Code. The only difference, from my interpretation, is the creation of a council for essential services.

The council of essential services was not at all created in reaction to Quebec's anti-scab legislation. The council was set up in 1975 whereas the anti-scab law was enacted in 1977 following the demands of unionized public servants, particularly those working in health care. Union members wanted to be able to go on strike in a responsible fashion, and as such, asked for a law and regulations which would allow them to do so.

I must also say that health care services are just as important as banking, railway and airline services.

Thank you very much, Mr. Chair.

• (1635)

[English]

The Chair: Thank you, Madame Lavallée.

I know Mr. Laurin wanted a quick comment. We're out of time, but we'll hear just a quick comment.

[Translation]

Mr. Jean Michel Laurin: Allow me to answer very briefly.

I'm getting tired of the constant comparison between the BC system or the Quebec system to the federal system, because we are not seeking to regulate the same things. Economic activities are regulated by the federal government. This is what we have been trying to explain to you since this morning. Essential economic

activities are somewhat like the channels that link the Canadian economy with the rest of the world.

Mrs. Carole Lavallée: Aren't doctors and medical specialists essential as well? Aren't they important? Are trains more important than health care professionals? My goodness!

Mr. Jean Michel Laurin: Allow me to make a second comment. Mr. Hattin knows that he must respect provincial regulations and has taken the time to travel and share his concerns with you. He said that he had to import machinery to serve his clients in the United States, and showed to what extent Canadian trade infrastructure is crucial for a business such as his.

In conclusion, you are accusing us of making false arguments. I find this to be rather harsh, even more so since our colleague who represents workers said that in order to spur investment, it is very important to maintain peaceful labour relations. In addition, he recommended that the government of his province, British Columbia, not change its laws because labour relations in that province are quite good.

Labour relations at the federal level are peaceful. Why is the government so adamant to amend a law that has allowed a delicate balance to be maintained for several years? We believe that it is not crucial to amend this law.

[English]

The Chair: Thank you, Mr. Laurin.

We're going to move now to Ms. Davies, for seven minutes.

Ms. Libby Davies: Thank you very much.

First of all, thank you to the witnesses for coming today from B.C.

I have a couple of observations. I think it's important to note in looking at this bill that we have two pieces of legislation in existence, in B.C. and Quebec, that we can learn a lot from. I think that's very important. A number of the witnesses today have spoken about how they don't like strikes and what they do. Well, nobody likes strikes. Not even workers like strikes. They're used as a last resort. That's a given.

I think what we need to establish is what is working on the ground, and what's happening in British Columbia and in Quebec is something that is of genuine interest and value, for us to determine what it is we need to do at the federal level in terms of this bill. I think Mr. Sinclair made a very important observation in that quotation saying that a mature collective bargaining relationship does not use replacement workers.

I think there's an irony there. The irony is that somehow, if you can bring in replacement workers, you will be furthering your cause, and that you will be moving your company further ahead or will be dealing with the problems you have. What I find very interesting in both of these provinces is that the evidence is really strong that legislation that bans replacement workers actually produces a stable environment. I really haven't heard anybody dispute that. You may not like it and you may, just as a political thing, go back to the government and say you don't like this stuff, but I haven't actually heard anybody argue that the legislation in B.C. doesn't work.

So I think the observation Mr. Sinclair made is a really important one, that banning replacement workers actually does ensure that a labour dispute is resolved in a much more reasonable and rational way. I would argue that the Telus dispute, for example, because we didn't have a ban on replacement workers, went on much longer and was quite nasty. That's why it's important to learn from what has happened.

I'd like to go back to Mr. Sinclair, because I think you got cut off when you were trying to explain what it is that this legislation in B.C. actually does. I don't know how familiar you are with the Quebec model, but if you feel that you can compare them, please do. I feel that we need to understand how this legislation is working in B.C. and why it has produced the kind of stability that people have spoken about. So I invite you to basically continue with your comments on that.

Mr. Jim Sinclair: Thank you. I want to reiterate that I think for mature labour relations to take place, there has to be a level playing field, and this provides some of that.

What I was going to say was that the difference in the legislation as I understand it... I'm no lawyer or legal expert on this, but I certainly have lived through many strikes and lockouts. The difference is that under our labour code and this provision, you can bring in replacement workers from the existing work force, which means that the door is open for that to happen.

That has led to a lot of disputes. Employers have been known to pump up their numbers before the bargaining begins so that they have enough people. They bring people in specifically to do that, and there is a question of who is an employee and at what point. You get a lot of legal wrangling about who is and who isn't an employee.

Let me just say that where that has happened, in my experience with the disputes I have been called in to help with as the president of the Federation of Labour, the toughest ones to solve are the ones where you have a handful of workers who decide to follow the boss's lead and, for whatever reason—good, bad, or ugly—have gone to work. Now the dispute is no longer over getting a collective agreement. It's what to do with the people who went to work.

The boss is totally ingrained with supporting those people, because they have been loyal. The people outside, which is usually the vast majority, are pretty angry. And so now you have this division, such that you're spending all your time trying to figure that problem out and not solving what the dispute was over to start with.

Most of those places haven't successfully operated, and so my appeal is, don't try to do it half-assed. That was a compromise with the business community at the time, I guess, to get the legislation. We didn't support it. We wanted the outright ban.

So I think you have to look at what you are trying to accomplish. What you are trying to accomplish is mature labour relations. Our labour code is different in that sense—it leaves that door open—and in fact it is a weakness, in our situation in British Columbia, that this present government hasn't run to fix for us.

On the Telus dispute, there's no question in my mind that it made a longer, uglier dispute. The feeling in the labour movement is that if you bring in replacement workers, you're out to bust the union,

because it's so hard to put back together at the end of it—the labour relations are so ugly—that it's not a place to do it.

To suggest for a second that we're going to bring in replacement workers to run airlines and run the docks and do all that stuff, and that if we don't do this—if we pass this law—then these people won't be able to do that, is ridiculous. You won't do it. It would be a war, and it's a war we don't need. We need good labour relations.

So I don't think at this point... We are talking about a small handful of employers who abuse the situation around collective bargaining, who are not committed to a progressive and productive relationship with their employees. Most of the people represented at this table would never dream of doing it. Most laws, though, we make for the people who behave in bad ways, not good ways.

In my time in British Columbia I've never seen the government use replacement workers in a public sector strike. I've just never seen it. Stephen Harper may want to do that. It's a possibility, and maybe this law wants to leave the door open for that, but I think most people have figured out it's a bad idea. All we're saying is, let's make sure it's a bad idea for everybody.

• (1640)

The Chair: Mr. Lampert, did you have a quick response?

Mr. Jerry Lampert: I was wondering if I could make a quick response.

Jim posed the rhetorical question, “What are you trying to accomplish here?” That still is the fundamental question we're trying to grapple with. The record since the Sims task force and the legislation that followed clearly indicates that there's no need for this legislation, that the current system is working.

So we have trouble understanding why, at this particular time, there's a need for a major change to current federal labour code legislation. It's being done in such a way as to really fly in the face of the kind of relationship we've developed in British Columbia, where the sides are willing to sit down at the table and work through any changes that are necessary in labour code and employment standards.

Jim Sinclair's organization and my organization try to cooperate in a number of ways, but when it comes to major changes to the labour code, we have a process and a system in B.C. that allows the parties to be at the table discussing these things. I fail to see in the current approach to Bill C-257 how that's been done, and I fail to see how it's going to make a significant positive change to an environment that's already positive.

The Chair: Thank you, Mr. Lampert.

That's all the time. We're actually over, Ms. Davies.

We're going to move to the final round of the first round, seven minutes for Mr. Lake.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): Thank you.

Mr. Sinclair, do you have a copy of Bill C-257 in front of you?

Mr. Jim Sinclair: Yes.

Mr. Mike Lake: Would you turn to proposed subsection 94(2.4)? I just want to clarify something that was brought up by Ms. Lavallée earlier. I want you to just read that section into the record.

Mr. Jim Sinclair: You want me to read it into the record?

Mr. Mike Lake: Yes.

Mr. Jim Sinclair: Do you have trouble with it? You can't read it yourself into the record?

•(1645)

Mr. Mike Lake: No, just read it. I want you to read it.

An hon. member: Read it in French.

Mr. Jim Sinclair: Read it in French—I wish, sister, I wish.

Subsection 94(2.4):

The measures referred to in subsection (2.2) shall exclusively be conservation measures and not measures to allow the continuation of the production of goods or services otherwise prohibited by subsection (2.1).

Mr. Mike Lake: It doesn't mention subsection 94(2.3) in there at all? No, it doesn't, right?

When you look at proposed subsection 94(2.4) in the French, do you see the number (2.3) anywhere in there? It doesn't mention subsection 94(2.3) there at all either, right?

Mr. Jim Sinclair: Let me just look, two seconds, hang on. I can't find that part. Can you help me here? Where is it?

Mr. Mike Lake: Take my word for it. If anyone wants to correct me—

Mr. Jim Sinclair: No, no, I wouldn't want to get this wrong. Let me do that again. Subsection 94(2.3), right?

Mr. Mike Lake: I'm going to move on. I want to talk to Mr. Koshman for a second.

First, I want to ask how many businesses you said you represent.

Mr. Jason Koshman: There are 70 companies involved in port operations.

Mr. Mike Lake: Right. And how many unions do you deal with?

Mr. Jason Koshman: One single union.

Mr. Mike Lake: Mainly one single union.

Mr. Jason Koshman: Yes, the International Longshore and Warehouse Union and several locals of that union that are covered by the bargaining agent for the ILWU, the Canadian area of the ILWU.

Mr. Mike Lake: Can you tell me what types of goods are shipped through those ports, some examples?

Mr. Jason Koshman: Through the west coast ports predominantly every major resource that Canada exports, from grain to coal to potash to sulphur, liquid cargoes. We're an exporting nation, and that is the major outlet for our exports. Coming the other way are all the consumer goods that come from Southeast Asia, China, that we

use every day and buy from the Canadian Tire to the local store down the street that sells toys.

Mr. Mike Lake: You talked a little bit about what would happen in a strike situation if you weren't allowed to use replacement workers at all. Let's use an example of the farmers. How would that affect farmers in Canada?

Mr. Jason Koshman: How that would affect farmers is that the flow of grain would stop completely, because the outlet for the shipment of that product overseas would be shut.

In terms of the reality from the ports' perspective, the facts are that every time we've had a major dispute, on numerous occasions since the seventies, Parliament has had to intervene—whatever the government of the day was, 1972, 1975, 1991, 1994, 1995—all separate acts of Parliament bringing the disputes to an end so the flow of goods could continue through those ports.

After the last enactment of the West Coast Ports Operations Act in 1995, the Sims task force was struck. There was a problem with the Canada Labour Code, clearly. We were having too many strikes and too many parliamentary interventions to resolve them.

Since that report and since the enactment of the Sims recommendations, including the enactment on replacement workers, we've had zero. It's working. It's working on federal ground. Our members say the legislation as it exists is working. There is no need to change it.

Mr. Mike Lake: I'd like someone to speak to the difference in the amount of effort and the amount invested in time and energy in the Sims report versus what your thoughts are on the amount of time put into this legislation that would undo what Sims did.

Mr. Jason Koshman: I read the transcripts of the proceedings before this committee, and one witness who appeared was Mr. McDermott, who is not a union representative, not an employee representative; he's a senior, long-standing member of the Labour Department, and was involved in the Sims task force. His evidence was pretty clear, and I want to quote from it, because it's the feeling our member employers have. This is what he said:

In contrast to the intensive consultations held when labour laws have previously been amended, there appears to have been no attempt to reconcile differing views. The process invites retaliation and corrosive pendulum swings in the event of changes in the political conjuncture. It manifestly ignores the delicate balance achieved when part I was last comprehensively reviewed. It offers a one-sided and piecemeal addition to the statute that gives no compensating provision to those who disagree.

Our view is simply that. We are looking for an illness. We have a pill, and there is no illness.

Mr. Mike Lake: Does anybody want to comment?

Mr. Doug Alley: I want to say very briefly, the Sims task force consulted widely. We met with them at least once, if not twice or more, in our offices with member companies who are federally regulated. We had no consultation with this, absolutely none, until we were allowed to appear here.

Mr. Mike Lake: I'm going to hand the rest of my time to Mr. Hiebert.

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Thank you.

A key question I think all members of this committee want answered is the impact ordinary Canadians would face under this legislation. For example, we've heard witnesses talk today about the impact on the airline industry if a de-icing crew were to go on strike.

I'd like to hear from the representatives of the business community. Can they briefly articulate for us the impact on ordinary Canadians?

• (1650)

Mr. Robert Hattin: Very simply, right now in our company—and, again, it's a small one—we have six people in the United States who are trying to get home to their families to be redeployed to other places. We have two people in Europe who are trying to transact business and we have four customers coming in from Italy. And we're a very small organization.

It would mean, for example, our payroll may not get into a bank, so we may not pay our people. When that happens, as a result of other things—again, I'm only here to talk about the effect on federally regulated businesses, not us—that's what happens very quickly. Within about two weeks, I would estimate half our 80 people would not be there.

Mr. Russ Hiebert: Because they'd not get their pay cheques?

Mr. Robert Hattin: Not get their pay cheques, they'd be stranded, and in business, because we're a very integrated economy, you only get one chance with the customer.

Mr. John Winter: To pick up on the notion of an integrated economy, the ripple effect, the domino effect, depending on the nature of the shutdown, on smaller businesses that rely on exports, imports, whatever it is that would come into the country or across the transportation link or through the bank or over the phone line, would be horrendous. These small businesses that employ an awful lot of people in this country, the majority of people in this country, would be facing hardships to which they would have no recourse.

The Chair: Thank you.

Thank you, Mr. Winter, and thank you, Mr. Hiebert.

We're now going to move to our second round, which will be five minutes, and we have Mr. Savage.

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

I'm delighted to join the committee and join my fellow parliamentarians, some of whom I know, some of whom I don't, but I look forward to getting to know you and I look forward to being on this committee with my colleagues.

This is hitting the ground running on a new committee, this is not easing into it. This is a very significant issue for Canadians. I have supported Bill C-257. I supported a similar bill last year when I was on the government side. Having had a chance to look at some of the past testimony—and I haven't looked at all the witnesses, but I spent a fair amount of time, as I'm sure my colleagues have—it's a complicated issue and it's not quite as cut and dried as it might seem. So I look forward to the opportunity to hear witnesses. It means a lot to me to hear from Mr. Hattin particularly, whose company is potentially directly involved in the ramifications of what this bill might do. I appreciate your coming and talking to us.

I was struck by something Mr. Sinclair said, which was quoting the B.C. Minister of Labour in the Liberal government asking why upset the quietest labour relations in 50 years.

If legislation like the one we're looking at but at the provincial level in B.C. hasn't caused problems, maybe it's not so bad. I wonder if the representatives of business would indicate to me.... You must have had some representation to government in B.C. since the government changed. Are you surprised or disappointed that the government hasn't seen fit to rescind the replacement workers legislation that was brought in by the NDP?

Mr. Doug Alley: Let me answer part of it, and I'll turn to Jerry to answer the other part.

There's a perception that there isn't a problem. There is a problem in B.C. with this legislation. There have been businesses that have shut down because of it, and we've got examples of that, if you'd like to hear them some other time. We have made representations to the government, and Jerry can comment on that.

Mr. Jerry Lampert: It might be useful if you gave one example, Doug.

Mr. Doug Alley: Yes. There's a newspaper company, for example, in the Comox Valley area, at which 140 employees went on strike. The employer told the union well in advance that he had to make changes to his operations in order to survive. Within a couple of weeks of the strike starting, people who had used him as their printer and everything had found alternate suppliers. So by the time they got ready to even resolve it, they couldn't, because the guy had gone out of business. He couldn't get his customers back.

This inevitably happens in a labour dispute. Once there is a dispute, whoever you are, if you're relying on somebody to get you something, you find an alternate. So when people say that it's not a difficulty, you know what people will do? They'll start transporting their stuff through the States instead of through Canada, or they'll find alternate ways of doing it. Once you've lost it, you've lost it, and it's very difficult to come back.

Mr. Jerry Lampert: In terms of the direct question, we are disappointed. We have advocated on an annual basis since the current government took power that there be a change to the labour code. I think for political reasons the government has chosen not to move on this, and that's legitimate. They have their political reasons for making these decisions. We have tried to convince them to take another look at this part of the B.C. code, and they've decided, to date, not to, but that's not to say that we won't continue to try to have them do so.

• (1655)

Mr. Michael Savage: I'd be interested in those examples, because I haven't seen specific evidence of how evil this is going to be at the provincial level. If you can give me that, I might even talk to somebody in that company and try to understand that.

A voice: He's no longer in business.

Mr. Michael Savage: Yes, but he's still alive, I hope. It didn't kill him.

A voice: I don't know. I don't know if it did.

Mr. Michael Savage: Mr. Hattin, regarding your business, I have heard from businesses in my own riding that have said they're concerned about this, and they've given me different reasons. You were asked a little bit, I think by Mr. Hiebert, about the example. Can you tell me specifically what infrastructure you are most concerned would be affected if Bill C-257 became law?

Mr. Robert Hattin: For us, any disruption is like when you talk about the "value chain" and any link in the chain that gets broken is the one that is your weakest link. I guess really it's the transportation of the goods and services that would be most affected by a disruption, just because there are so many people who touch that particular good or service. That's probably the biggest one that would immediately impact us. The fact that it's such an omnibus bill—we talked about essential services and things like that, and I'm not a labour lawyer, so I can't address that specifically—is probably more overhanging.

Mr. Michael Savage: Have you had those kinds of disruptions in the past ten years?

Mr. Robert Hattin: No, and that's been the good part about it.

Mr. Michael Savage: Thank you.

The Chair: Thank you, Mr. Savage.

We're going to move to our next questioner, Monsieur Lessard, for five minutes, please.

[*Translation*]

Mr. Yves Lessard: Thank you, Mr. Chair.

I also wish to thank all those who travelled some distance in order to share with us their opinion on this piece of legislation.

I have 35 years of experience in labour relations, and when I approach such a situation, I try to identify which arguments are the most enlightening given the responsibility I hold. Our responsibility here is to either adopt or defeat the bill, or amend it so that it can improve labour relations. It is from this perspective that I welcome you here today, just as we have welcomed all other witnesses who have appeared before us.

I will draw upon a statement made by Mr. Laurin earlier, in response to Mr. Sinclair, or someone else, saying that in British Columbia, there are no problems. That would lead us to believe that an anti-scab, or lockout, or replacement worker legislation wouldn't be so bad. At the federal level, since everything is running smoothly, there is no reason to change the legislation either. I am wondering if that statement is indeed true. Just from experience, I would say it is not.

I can call to mind five recent events which occurred in Quebec not too long ago. The first example is Vidéotron. Vidéotron is a telecommunications corporation that specializes in fibre optics, telephony, it is a part of the Péladeau empire, and is subject to the Canada Labour Code. Vidéotron recently went on a 12-month strike, one of the longest strikes ever in recent years. Or was it a lockout?

A Voice: It was a lockout.

Mr. Yves Lessard: It was a lockout. A 10-month lockout. We saw everything: use of replacement workers, violence, vandalism. It was very rough.

Secur is a cash transportation company and recently experienced a strike of its 900 employees which lasted 20 months. Vidéotron employs 2,200 people.

Cargill is another company which employs longshoremen and specializes in shipping goods. Cargill underwent a strike of 38 months, which at some point turned into a lockout. It became an endless saga in terms of the power struggles, violence, and once again we saw it all. That company is also subject to the Canada Labour Code.

At Radio-Nord, a communications company, employees went on strike for 20 months. The same situation occurred. Replacement workers were used and there was violence and hostility.

These are situations that we are aware of. Such examples lead the Bloc Québécois to assume, at least when comparing the Quebec and Canada Labour Codes, that something is not working in the Canadian legislation, and that measures must be taken. Therefore, our conclusion is different from yours, and Mr. Laurin's.

I'm trying to be very receptive of your opinion, despite my own observations. I'm trying to be open-minded in hearing your arguments, in order, as Mr. Silva was saying earlier, to identify clear examples of the differences between Quebec legislation and British Columbia legislation and to see the differences between the Quebec experience, the British Columbia experience, and the Canadian experience.

I also listened quite attentively when Mr. Hattin talked about businesses that fall under provincial jurisdiction; he said that in order to do business, he must deal with businesses that fall under national jurisdiction. He gave the example of banks, and how cheques are circulated. Less than one per cent of bank employees are unionized, and there have been no conflicts in that area. It has been a very good experience.

In the area of railway transport, railway workers are irreplaceable because their jobs are specialized and require training. If you want to be a good railway worker...

● (1700)

[*English*]

The Chair: Thirty seconds, Monsieur Lessard. Thirty seconds.

[*Translation*]

Mr. Yves Lessard: I'm still looking for the example which will enlighten me. I'm asking each one of you a question so that you can provide me with an example that will teach me something new and different from what I have gathered from my own research, and which will guide us in the decision that we have to make today.

[*English*]

The Chair: Mr. Laurin.

Mr. Jean Michel Laurin: How much time do we have?

The Chair: We're out of time, so it will be one for Mr. Laurin and one for Mr. Sinclair.

[*Translation*]

Mr. Jean Michel Laurin: First of all, I'd like to say that I appreciate your comments. In our opinion, what comes out of all this, according to what all the parties have said, is that nobody likes labour conflicts. With regard to the regulations that are before us, we are concerned because these are services that are said to be very important for the Canadian economy.

The examples you mentioned are examples that we remember, especially if we live in Quebec. However, we try to look at the big picture. We considered the number of grievances and complaints filed with the Canada Industrial Relations Board over the past seven years. There were 18, 13 were withdrawn, 3 were rejected and 2 are still under examination. These figures lead us to believe that the current system works relatively well. As some mentioned earlier, the last time the legislation was reviewed, there was a long debate. The current system does strike a rather delicate balance. Basically, the main concern that we wish to express here today is that there is enormous risk in disturbing that delicate balance. We're very worried about this and we think that passing this bill would be a bad decision.

[*English*]

The Chair: Thank you, Mr. Laurin.

We're going to give a quick response to Mr. Sinclair and then move to our next questioner.

Mr. Jim Sinclair: The dispute with Telus workers in British Columbia and Alberta was a classic example of a massive wholesale scabbing operation to undercut workers' rights. The collective agreement they finally signed under the circumstances was a huge step backwards. We lost thousands of full-time jobs in British Columbia and Alberta. That industry has changed dramatically.

Mr. Sims said in his report that if the union is undercut by the company's action to bring in strikebreakers, action should be taken. We all laughed. The union went to them with the classic case where we said if there was ever a case it would be this one where the ruling would be that these scabs, or replacement workers, are undercutting the workers, and nothing happened.

What he recommended doesn't work. We have to change that. There have been many cases in our history, the most recent one in B. C., where the government changed the labour code without a third-party process, or three people. Depending on which side of the coin you were on, you supported it or you didn't. In this particular case, business supported the changes despite the fact that labour had no input. Those kinds of things happen.

This one is not going to be resolved. As long we sit here all day, the two parties at this table are not going to agree. This is a question of balance, and you have to right that balance.

Thank you.

• (1705)

The Chair: We're going to move for five minutes to Ms. Davies.

Ms. Libby Davies: Could I clarify? After my five minutes question and answer is there one more five minutes from a Conservative member and then the witnesses will be concluded? We don't go to another round. Is that correct?

The Chair: There was going to be another round because we started late because of what we dealt with beforehand.

Ms. Libby Davies: You're saying there's a seven-minute round and a five-minute round?

The Chair: That's correct.

Ms. Libby Davies: We will have concluded the five-minute round?

The Chair: That's correct. Then if there are still people who want to ask questions we'll have a third round of five minutes each.

Ms. Libby Davies: I'm concerned that we're going to run out of time. I'd like to know what you're proposing to do, because the time on the committee agenda says 3:30 to 5:30. If you go to a second round of five minutes we won't have adequate time to discuss future business. I'd like to get this resolved.

The Chair: Once again, I'll leave that up to the will of the committee.

Ms. Libby Davies: What do you mean the will of the committee?

The Chair: Just what I said, the will of the committee. You're part of the committee, and if the committee wants to ask more questions they can do that.

Ms. Libby Davies: But you're the one who set the agenda, Mr. Chairman, and who seems to be running everything here. I think you need to establish whether or not the committee is either going to stay later—

The Chair: I've indicated two rounds. The Liberals have indicated they'd like another question, so there would be one more round of five—

Ms. Libby Davies: I would like you to put to the other members whether or not, if there is a second round of five minutes, this committee will continue meeting. I'd like you to ask the committee whether or not they will continue, even if it's after 5:30, to go through future business and the calendar. I want that established now. Otherwise, I'm going to move my motion.

The Chair: Okay, I'll put the question.

Is the committee prepared to meet to discuss the future business as we've indicated, even if the time goes over 5:30?

Mr. Savage.

Mr. Michael Savage: It will be one round—NDP, one Conservative, one Liberal—and then we would do the business?

The Chair: There would be one Liberal, one Conservative, and then we'd do the business.

Ms. Libby Davies: It would go to myself, then a Conservative, then a Liberal, and then a Conservative?

The Chair: That's correct.

Ms. Libby Davies: There was a reference made earlier, I think by you, Mr. Alley or Mr. Koshman, about the example in the Comox Valley—it was you, Mr. Alley, yes, the newspaper. I don't know the details of what happened there, but you gave us an example of how the anti-replacement-worker legislation in B.C. doesn't work. But it seems to me what you were speaking about actually is the strike. I'm not clear on what your issue is. I'd also like to ask Mr. Sinclair if he was familiar with that issue in terms of what happened there. The problem was the strike, not the fact that this legislation was in existence.

Mr. Doug Alley: What happened in that case was that because he could not bring in replacement workers, he went out of business. Maybe I should have been more explicit in that. If he had been allowed to continue to operate during the labour dispute, he would not have gone out of business. He could have attempted to at least print for his customers. In not being able to do it at all, he lost his customers to other printers.

Ms. Libby Davies: Okay.

Mr. Jim Sinclair: That's speculation at the best of times. If he had settled with his union and made the agreement first, he wouldn't be out of business either. We're all speculating here. There are a lot of things that go into the decision of a company to go bankrupt or not. The vast majority of companies in this country go bankrupt without any reference to labour relations. They get into trouble without any reference to labour relations. You have to separate these things out again.

In the federal field, the vast majority of people are unionized. The vast majority of people don't use replacement workers and have no intention of using replacement workers. Unfortunately, we do have some situations in which they do use them, to the great detriment of working people and ordinary folks.

That's the balance we're looking for here. Despite our legislation in B.C., working people have fallen behind in real incomes. We all agree with that at this table. It's not like we suddenly climbed up on a horse and got to ride off into the wilderness with everything else. The fact is that it just made it a little more equal for workers at a time when companies have more and more power, which is the other side that no one is talking about.

Companies are more powerful when it comes to lifting up their operations and moving them anywhere they want them to go or, during a dispute, to contracting out far and wide. We need to have some control in that so that workers and employers can solve their problems and can't sneak around the back door.

The Chair: Thank you, Ms. Davies.

We're going to move to Ms. Yelich, for five minutes.

Mrs. Lynne Yelich: I have some points to make. I'm just going to pick up on what you said. The companies have a lot of power, and here we have the workers who have a lot of power. But where is the power? I'm going to go directly to where we were with Mr. Koshman, when he was asked what difficulties are caused at the courts.

When you talk about the farmer who has no power, and about when those things break down, \$62 million in demurrage charges went directly to them. The farmers had to pay for a deal that was not

carried through. Japan had a contract with our farmers, going back a few years. It was settled through legislation.

On the economics, we have to think internationally and globally, but we're not doing that. We seem not to realize the economics of a shutdown of ports and airports globally in regard to our trade. We're thinking a little narrowly there.

I do also want to mention that, just now, we have a strike in Saskatchewan. We have SGEU striking. Their corrections officers are on strike and their highway workers are on strike. All of them fall under public safety. However, when it came to the corrections officers, they called in the RCMP. The RCMP from Manitoba and Saskatchewan are doing the corrections workers' work for the SGEU in our province, which tells me that perhaps this could get quite complicated. If we had this legislation federally, could other jurisdictions like Saskatchewan really hire people to replace them when in fact public safety...? Yes, it is important. Maybe it's not. Maybe not everybody finds that corrections officers are an essential service.

What I'm trying to say is that we have to let provinces decide whether or not there should be. If the legislation is agreed to in the provinces, fine. But federally, for us to do this, we'd have a lot of complicated scenarios, just like what's happening in Saskatchewan.

I would like to hear a comment on whether the jurisdiction should maybe be taken to a federal level, given the impact it has around the globe particularly with our trade. Since we're so dependent upon trade, these ports in British Columbia are very important. That's why, despite your legislation, I do agree. We do need good labour relations, and I think they are happening. We have to have this peaceful relationship.

I would like it if you could give us some scenarios on how this is going to affect people. We have to start looking at the economic breakdown. Potash, in my riding, is very big and important. If anybody goes on strike, they won't be essential, but, by God, our province will shut down. I would like you to expand on that, and perhaps that scenario. How would this legislation work with a provincial union breaking down and the feds being called in to take their place?

• (1710)

The Chair: Who wants to deal with that?

Mrs. Lynne Yelich: And if you can't, then I guess you would suggest we bring in more experts.

Mr. Jason Koshman: Thank you.

Firstly, the movement of the goods and services through the port is a federally regulated undertaking. So when the vessel arrives, is docked, is loaded or unloaded, is put on the rail or a truck, that process is under federal jurisdiction.

I want to pick up on something Mr. Sinclair said, that we could be here all day and talk about this legislation. It is almost an irreconcilable difference, and that's exactly what Sims recognized. And he came up with a compromise solution that was enacted in law. I don't have to list off the times Parliament had to come back and legislate federal undertakings back to work, particularly in the ports and the rail system, prior to this enactment. Since its enactment, it achieved a balance. It achieved a balance recognizing the federal employer's right to operate without undermining the representational capacity of the union.

As I think Mr. Laurin pointed out, a number of applications have gone before the board. Let's let that process work its way out. The experience has been very positive since the enactment pursuant to the Sims task force.

The Chair: That's all the time we have.

We're going to now move to our next round. Ms. Dhalla and Mr. Silva are going to split their time. Five minutes.

Ms. Ruby Dhalla: Thank you very much, Chair.

I just want to thank all of the witnesses we have before us for sharing your experiences and some potential challenges we could face. As my colleague Mr. Savage said, I think it is a very delicate issue. It is a very challenging issue. I know in my own riding of Brampton—Springdale, I've had a chance to meet with many constituents and stakeholders, both from the unions and also employers and owners of small and medium-sized businesses who are fearful and very apprehensive of some of the potential consequences. I know that moving forward, I do look forward to listening and to hearing the witnesses and learning of some potential challenges that have been encountered or that could be, moving forward.

I wanted to touch upon an issue that was highlighted by, I believe, the B.C. council, also by Mr. Koshman as well, and also to get the perspective of labour. That is the issue in regard to permanent workers. It was mentioned, I believe, by Mr. Koshman.

I think you had indicated that the report that was released, the Sims report, had mentioned that employers would perhaps reduce their reliance on permanent workers and move to a model that would include or incorporate temporary workers so that they could bypass the legislation somehow. Has that occurred in B.C.? Could you please expand on that, and could I also get the perspective of labour as well, in terms of employers reducing their reliability on permanent workers, because I think that would have an impact for many Canadians across this country.

• (1715)

Mr. Doug Alley: That was in our submission. What you'll see is that as employers make their decision on where to expand, they're going to expand in a jurisdiction where they're comfortable that they know they're going to be able to operate. So in B.C., for instance—I'm not going to name names because of confidentiality reasons—they've looked, "Do I expand in B.C. or do I go to Alberta?" Sometimes they've gone to Alberta. Sometimes they've moved to Alberta to avoid our labour legislation. And they do it very quietly. There are no headlines. There's no waving the flag, saying "We don't like section 68 of the B.C. Labour Code, so we're out of here". It's very quiet and off they go.

Ms. Ruby Dhalla: What about the reliance? You had mentioned both in the report and in your commentary about the reliance of employers on permanent workers.

Mr. Doug Alley: That was a quote, I believe, from the Sims report. And what he was getting at is that some employers will restructure so that their reliance on permanent employees drops, so that if there is a labour disruption they will be in a jurisdiction where they'll be able to continue to operate, and that's where they'll have their permanent....

Let me give you an example. If you're in a financial institution—and I'm not going to try to blame the financial institutions for this—if you had at risk... I've heard, yes, they're only 1% organized, but that's today; who's to say what could happen down the road? But if they were to get organized, say a VISA centre or something like that in Toronto or wherever else, would the bank—and you'd have to ask them—put their investment at risk, in the case of a strike or lockout, to have a VISA centre go down? It's very easy to put that operation across the border. I think that's what Sims was getting at.

Ms. Ruby Dhalla: Could we get the perspective of labour? Because I think we're running out of time as well.

Mr. Jim Sinclair: On the question of permanent employees or part-time employees, there is no doubt a trend across the board, whatever province you're in, to try to get just-in-time workers. Now we have foreign workers coming here into very precarious situations, and that's a problem with our code.

In general, no, I haven't seen that trend. Most employers want good workers to be permanent workers, especially in today's market. Collective agreements in unionized sites, which is what we're talking about, usually have provisions for when you become temporary to permanent, so it's not just the call of the employer, but it's part of the contract.

Mr. Mario Silva: Mr. Sinclair, we probably have a very short time, and I want to apologize, as I didn't want to cut you off.

I think what I was trying to get at is that I think both the B.C. and Quebec models are quite good and serve as an example for us to proceed with this particular legislation. But I need to understand very well the similarities and the differences, and thus far what I can conclude are what the differences are, and I won't outline them again.

Maybe you can further comment, if you'd like, Mr. Sinclair.

Mr. Jim Sinclair: I have very little further comment. The fundamental difference I see is that under the provincial one, the problems with existing employees are now compounded by the fact that we have 40,000 foreign workers coming to work in our country who don't have the same rights as anybody else, and they are very vulnerable to employer pressure to go to work during a strike. That's the situation. I see that as the basic difference. There may be others, but that's the one I understand to be the basic difference.

Mr. Mario Silva: Thank you.

The Chair: That's all the time we have.

We're going to move to the last questioner. Five minutes, Mr. Brown.

Mr. Patrick Brown (Barrie, CPC): Thank you, Mr. Allison.

I heard a comment earlier from Mr. Sinclair about the B.C. Liberal government not reinstating the right for replacement workers. I come from a riding in Ontario, and as many know, Ontario went through some difficult economic times in the 1990s when the former premier, Bob Rae, brought in this legislation in Ontario. It's very interesting to note that the Ontario case is different from the B.C. reference, in the sense that when the current Premier of Ontario, Dalton McGuinty, the leader of the provincial Liberal Party, came in, he chose not to bring back this legislation. It is interesting that to keep Ontario's economy strong, a left-of-centre party came to the conclusion that it would not be appropriate to take Ontario back down that dangerous road.

I wanted to get some comments from Mr. Hattin, if he has any manufacturing perspective on that and whether there are concerns in Ontario that if this legislation were revisited there would be economic repercussions.

And afterwards, Mr. Sinclair, could you give us some guidance on why Mr. McGuinty chose to adopt the same position as Premier Harris on this type of legislation, concluding that it was not in tune with promoting a strong economy?

• (1720)

Mr. Robert Hattin: Thank you very much.

I'd probably use as a benchmark the automotive model, and Mr. McGuinty has said there are two things they want to grow in Ontario: aerospace and automotive. It's interesting to see that among the people Ontario has attracted, both Honda and Toyota have very good worker relationships, because they have no union. But they have excellent worker relationships, and these are the companies that are growing and thriving. They are the ones where all the money is being invested.

In contrast to them, you look at the other aspects of the more traditional big three, let's say, and ask what the difference is. Now, it could be body design and a whole bunch of other things, but at the end of the day you look at some of the contract differences and how they treat their workers and the mature labour relations of our new Asian partners like Toyota and Honda. When those partners go into places like Simcoe, Ontario, and other places like that, for their spin-off plants, I think that just proves the viability of considering that labour relations model a little differently and doing it on a more mature level, even when we're dealing with multinationals like Honda and Toyota.

The other thing, which has probably been touched on around here, is the ability not only of capital to flee, but also of technology to flee and customers to flee. Businesses, whether they're small or large, are going to go to where there is going to be the assurance of good transactional processes. They don't want to worry, is this port down or can I catch a plane? It's assumed that you are able, because all the mature and established markets have those. I think that's the difference.

I look at those two in the automotive model, at Toyota and some of the others.

Mr. Jim Sinclair: I think you've got to separate these things. There is confusion between labour relations and this particular act. Labour relations at Toyota may vary from country to country and

from place to place. Many of their plants are unionized. I don't believe Toyota sits down and makes a decision about where to invest on whether or not, if eventually they get a union, they can scab the place or not. I know of no experience around the world where they are unionized where they have scabbed them. I don't think it's a practical concern of Toyota one way or the other. That's my opinion.

On the second question, there is a bigger question here about whether we're going to race to the bottom to try to compete or whether we're going to try to raise our standards. There are many other countries in the world I'm sure you'd be interested in studying—outside of Ontario—like Sweden, Denmark, Norway, and the northern European countries. They have very high unionization rates, of course. They have legislation that says you can't bring in replacement workers. They are very productive. Their investment rate of capital is higher than that of the United States. People have a very high living standard. They don't have the poverty we have. Unions are partners in production, and they sit on the board of directors. Those are the things that are mature.

The other side of it is that replacement workers is really about class war. Really, when you get right down to it, it's that we're going to see who's going to win out here and who's going to lose. And that win-lose idea is really the problem you've got here without this kind of legislation to keep it balanced.

Mr. Patrick Brown: In terms of these blue-collar jobs that have gone to Ontario, in areas like Alliston in the automotive sector, you mentioned that you don't believe it, that Toyota would never look at this in their investments. Do you have any evidence or information from Toyota that would substantiate that?

Mr. Jim Sinclair: Those investments were made under Bob Rae as well.

Mr. Patrick Brown: Okay, but is there no information from Toyota about that?

Mr. Jim Sinclair: The only information I have is that it was their past practice. Also, investments were made under Bob Rae.

The Chair: Thank you.

I want to take this time to thank all the witnesses for coming. I know you came from long distances—B.C. for the majority of you here today. We realize that this is an important issue, and that is why we've extended the meetings to hear witnesses for another couple of weeks. But we do want to thank you once again for taking the time to be here today, because your travels were a little bit longer than those for the rest of us.

What I'm going to propose right now is that we have a budget for Bill C-257 and then we get directly into the motion and the calendar. What I'm suggesting here is that we've got the budget we need in order to bring the witnesses who are already booked and confirmed; then we're going to deal with the motion, and then my suggestion is that for the calendar we can look at some of the rest of the calendar tomorrow, because some of you have just seen it for the first time. My concern is that we are able to deal with some of the witnesses who are already committed to being here. So if you'd have a look at the....

Yes, Ms. Davies.

• (1725)

Ms. Libby Davies: With all due respect, I think it's important to establish the calendar first so that we have an idea of how many meetings we're going to have, how many witnesses, and then we can establish a budget. To approve a budget based on what you have planned is one thing, but it's not the committee's will. So I think we should discuss the calendar, sort that out, and then the budget flows from that.

The Chair: Thanks, Ms. Davies.

Let's pause for a few minutes.

• _____ (Pause) _____
•

• (1730)

The Chair: Okay, we're going to get started again.

I think Ms. Davies put forward a motion in relation to hearing witnesses. I also want to point out that there was a proposed calendar. In all fairness, it didn't go to the steering committee; it was just proposed in light of what we had discussed with previous motions before Christmas. So why don't you address your motion in terms of where you're at? But I think we should also have the proposed calendar beside us in terms of hearing witnesses.

We have invited and confirmed witnesses for Tuesday, Wednesday, and Thursday of this week and next week, of all the additional individuals who had requested to be here but could not because of the limited amount of time we had.

So that's where we're at with that. That's what the budget is about, to be able to hear some of them via teleconference and to be able to hear the witnesses over the next two weeks. And since we have a new committee, it's a good thing we have some more witnesses as the Liberals get up to speed on what's going on with particulars.

Do you want to speak to your motion again, Ms. Davies?

Ms. Libby Davies: Yes.

Could I just clarify one thing with you? When you say this proposed calendar went to the steering committee—

The Chair: No, it did not.

Ms. Libby Davies: Oh, it didn't.

The Chair: That's correct.

Ms. Libby Davies: That was my understanding.

I think some of this would have been avoided if there had been a steering committee and it had been worked out.

Anyway, the intent of my motion is to make it clear that we should endeavour to complete the clause-by-clause by February 8. That means looking at the meetings that have already been scheduled and adjusting them as necessary to make sure that we hear the technical witnesses and that we then do the clause-by-clause.

I think the motion is reasonable, in that it will allow for the ones that have been scheduled to be heard. I would point out, though, that we've already heard from 34 individuals, not counting today, and it has generally been a fair balance. Of the 34 more witnesses who are being heard, who are being scheduled as a result of your decision or

somebody's decision, only three are from labour, so what we're going to hear now will not be a balanced representation. I'm not proposing that we add more labour, but I did want to make that point.

In fact, a number of the witnesses who have been scheduled are actually affiliates of national organizations we've already heard from. For example, we did hear from the Chamber of Commerce, and now we're going to hear from local chambers of commerce.

I just make those points, because people are arguing that we have to hear from people and that it's balanced. Well, the witness list that we have right now isn't that balanced, but we know what the arguments are, and I would prefer that we now try to get down to some business of actually working through this bill.

So I'm proposing, in effect, a schedule that I think is somewhat of a compromise, because it's not cutting anybody out who you've already scheduled, and saying that we may need to adjust a couple of meetings to add on an hour to make sure that everybody who is scheduled is heard, but that we do the technical and then the clause-by-clause by February 8.

The Chair: I'll just clarify, in terms of the witnesses, and then I'll start taking names, that the motion that was passed was to hear from witnesses particularly from regions that requested to appear and weren't able to, such as B.C., which hadn't had a chance up until this point in time. So it was people who had contacted us, and, because of our short amount of time, were left off the list. We didn't go soliciting additional people; these were individuals and companies that had not had a chance.

Mr. Silva.

• (1735)

Mr. Mario Silva: Thank you, Mr. Chair.

First of all, as you noted earlier, I am new to the committee and quite pleased to be here, and I'm delighted to hear from the witnesses.

It concerns me as well that there doesn't seem to be a balance here. When you bring legislation forward to a committee it is important, first of all, to get the technical witnesses as soon as possible so that you're aware of what the issues are, and you can ask, if there are legal experts involved, some of the technical and legal aspects of the bill, but then try to get a very fair balance between both the labour and business communities.

I wasn't here when you had previous witnesses who came before this committee, so I have to rely on the transcripts that I've been reading. But I'm just wondering, why was that balance not struck?

There is a subcommittee here to deal with that, a steering committee. Not all committees have steering committees, but this one has a steering committee. Because you did not go to the steering committee, and because we're all new to this committee as well, certainly a question I have is why wasn't that balanced, and can we in fact arrive at a balance as we go forward with this particular legislation?

The Chair: Yes.

The meetings we held previous to the new year were well balanced, based on lists that we had chosen. The motion that was before us was to hear from additional witnesses who wanted to speak but weren't given the opportunity. So once again, we didn't go out asking or soliciting. They were witnesses who had contacted our offices and the clerk's office in order to be able to participate.

So you're correct. The witnesses we heard before Christmas were balanced. They haven't been as balanced because of who requested to come and speak.

Ms. Dhalla.

Ms. Ruby Dhalla: Again for all my Liberal colleagues, being new to the committee, in terms of Ms. Davies' motion, how would it impact your proposed calendar? What would be the time differentiation? I believe she wants to finish it by February—

The Chair: Sure. What Ms. Davies has suggested is that we hear all witnesses by the seventh. We now have witnesses booked and confirmed until the eighth. We're suggesting that we bring in the technical witness on February 13 and then go to clause-by-clause the week after.

So what this would do is put it off by a week.

Ms. Ruby Dhalla: So then it's instead of finishing a week earlier?

The Chair: Yes.

Now, I don't believe that Ms. Davies had seen the calendar prior to this, but that was the suggestion.

Ms. Ruby Dhalla: So how many witnesses will be impacted, as a result of having that one week?

The Chair: We have five witnesses for each meeting. So there would be 15 witnesses for the second week; there are 15 or 16 witnesses this week.

Madame Lavallée.

[*Translation*]

Mrs. Carole Lavallée: Indeed, we do have to restore the balance regarding the presentations. As we saw a bit earlier, there was only one union representative. There was an imbalance with regard to the testimony. It's good to have people who want to look at the overall situation and present different points of view among the group of witnesses. Moreover, the same is true for everyone: we have many other activities. We'd like to do them in the time that you allocated, Mr. Chairman. I know that the committee has to consider many other bills and has a lot of work to do. That is why Ms. Davies' proposal is a good one. You could find time where we could add an hour or two in order to have a better balance of witnesses on the one hand, and on the other hand add an hour or two in order for us to hear everyone. It's important for us to hear all arguments.

In the case of this bill in particular, it's important that we be there to hear people who want to make their views known. I think that this is an excellent initiative. Certain persons perhaps did not appear because the rules of the game are such that national organizations are invited. The representatives of unions, who understand and normally apply the rules very well, probably did not want to present the requests of their affiliated unions. If that the case, these people were asked not to come and not to stand candidates.

Some will say this is all going too fast, that we'll never have time and that we're holding these debates too hastily. Let me remind you that in the case of Bill C-2, John Baird who was then president of the Treasury Board, had bragged in the House that he'd made the committee on Bill C-2 work hard and that he had pushed his bill through very quickly. He was very proud to say that he had done this in 72 days. With regard to our bill, three months have passed since the vote on second reading. He also said that he made the committee work over 90 hours in six weeks. We know that not all weeks are created equal. But that is still an average of 15 hours. I know full well because I sat on that committee that certain weeks, there were 40 hours of witness testimony. We know that that could be done. Where there's a will there's a way. Moreover, if we act quickly, the committee will have more time to examine other files.

In addition, the meeting with the officials is extremely important, especially since the wording of the bill contains a translation problem in clause 94(2.4). That has to be fixed as soon as possible and we must advise the other witnesses. I don't know exactly what could be done about this. Perhaps our clerk can answer that later on. The fact remains that we have to solve this matter of the faulty translation of that paragraph which says something we don't want it to say.

Thank you, Mr. Chairman.

• (1740)

[*English*]

The Chair: Thank you.

Once again, we'll just hear what everyone has to say.

Mr. Savage, and then Monsieur Lessard.

Mr. Michael Savage: Thank you, Chair.

In some ways it may seem unfortunate that the Liberal members are all new and there's an element of getting up to speed, but, listen, that's a fact of parliamentary life that happens all the time. I find these hearings useful. Balance would be useful. It would be nice if we could go back and actually see the witnesses. We have the transcripts, and we're going through those.

For the sake of one week, I wouldn't support this motion. For my good friend Carole, John Baird is not a good precedent to use with me in terms of ramming things through. So it's not just the witnesses here either. It's people in my riding. It's people in Ottawa. I have meetings with labour unions scheduled this week and next week back home, and business groups. I think for the sake of a week it would serve us all well to follow the schedule that was put before us, or close to that.

The Chair: Thank you.

Monsieur Lessard, Mr. Lake, and then Ms. Yelich.

[*Translation*]

Mr. Yves Lessard: Mr. Chairman, I will support the proposal. I find it a bit unfortunate that we've ended up in this situation. With your permission, I'd like to make the following comment.

I've noticed that among ourselves, we are not respecting a number of proprieties. When I began sitting at this committee in 2004, we had a steering committee made up of a representative of each party in order to plan our work and then report back to the plenary committee. Following exchanges, we communicated this to our respective groups. This is how we managed to plan the work in a harmonious fashion. As a matter of fact, our colleague Mr. Silva was present at the beginning.

Something happened that has surprised me a great deal. At some point, before the holidays, the Conservative representatives started to propose what I would call dilatory motions, because that's how I perceived them. Perhaps that was not the intention, but it did change the rules that we had set for ourselves. This was often done at the beginning of a meeting, when we had witnesses before us. This practice began with Mr. Nadeau, and was repeated with Mr. Blackburn, the minister, and it was done afterwards with witnesses, until such point that the rules started to change, by default, because on our side, there was not the same representation on that morning.

We live with this situation, and the chair made a decision: the rules of the game were being changed. I'm quite surprised by this, perhaps because of my background. But it seems to me you don't change the rules just like that and in addition, you sit on this committee.

It has been done and this is the way we operate now. But now we're really improvising and we end up in a situation like we had today, where we see an imbalance. When the hearings were planned, we'd agreed to try to invite national organizations in order to hear all opinions and strike a certain balance. I wasn't closed to the idea of adding other witnesses because of opinions that we would have heard. We felt there was some discontent. However, it seems to me that we should have done this by consulting the steering committee again in order to maintain that balance.

I'm not saying this to reprimand you. Objectively, I think there is a flaw. If we establish rules among ourselves, regardless of our political stripes, we want to stick to them. If we intend to change the rules because our party is taking another direction, we say this frankly and honestly, and that's understandable. It's not because we agreed on one thing that we can't change our mind later, but we have to say so clearly. We can't just make things up as we go along.

Therefore I do feel that the Conservative motion the other day was improvised, with the result here today that forces us to come up with something different from what we had agreed upon. I do not want to take up too much time, but if this is how you intend to run things, I can tell you right now that I cannot agree.

We have two vice-chairs and a chair. We also agreed that the NDP representative would be present. There are some among us who even receive additional money because we take on this responsibility. However, we are being pushed aside. There is something wrong here and I am not going to play this game. We are going to lay our cards on the table.

I therefore propose that in the short term, the NDP motion be considered in order to create that funnel that we had agreed to at the beginning in a short period of time. This way, we will not be

insulting those who are already invited: we will simply be completing our work.

● (1745)

What we saw today is nothing new. Let me tell you right away that I have another proposal for the second phase. Although you might tell me that I should show more discipline, I certainly do not approve of being handed a document while I am engaged in work that requires all my attention, and of being forced to make a decision just minutes after the work is finished. Nevertheless, I am not blaming you for the way things happened.

I confirm that we can receive some today, but we might need to discuss this at another meeting. I suggest that we reconvene in the small committee so that we can work together as efficiently as we did before. That is all I have to say, Mr. Chairman. My prime concern is efficiency. I believe that we have an important mandate and an important task at hand. I do not want to get into petty politics. If I speak on behalf of my party, it is because I know my position, I know what I am talking about. I will represent my party in the way that we agreed upon. That is all I have to say, Mr. Chairman, and I will vote in favour of the motion.

[English]

The Chair: Thank you, Mr. Lessard.

We're going to move to Mr. Lake, followed by Ms. Yelich and then by Mr. Silva. Mr. Lake.

Mr. Mike Lake: No, I think we should just vote.

The Chair: Ms. Yelich. No?

Okay, then Mr. Silva.

[Translation]

Mr. Mario Silva: Mr. Chairman, I think I know what my Bloc Québécois colleagues mean, especially with regard to the imbalance in the selection of the upcoming witnesses. I am very worried about the lack of balance between both sectors. When we deal with such important legislation, we must always find a balance. However, even if we adopted this motion, the imbalance would still be there.

I do not know whether you agree. I am not objecting to your proposal to table another motion in order to balance the upcoming selection of witnesses, but the motion is not currently before us. We still have the motion from Ms. Libby Davies. It is reasonable, even if we have a busy schedule. Due to our numerous commitments, it is difficult to extend this meeting. I have never seen a committee like this, with three meetings a week. Although it is difficult, I can do my part and I have no problem with staying. However, the fact still remains that there is a serious imbalance in the selection of witnesses for this committee.

● (1750)

[English]

The Chair: Okay, we have Ms. Dhalla, followed by Mr. Lessard.

Just for the new members, the motion that we were dealing with here did not deal with balance. It didn't say that specifically. It just said:

...that the Committee instruct the clerk to seek the testimony of such witnesses as the Legislative Counsel, to testify on possible amendments beyond the scope of the Bill, and to hear from Department of Labour...and that additional witnesses representing both labour and industry be invited to testify on the Bill, particularly those witnesses from regions that have requested to appear and that they be given appropriate time to appear.

Once again, we're just trying to fulfill the latest motion in light of not having meetings over Christmastime.

I also want to make note that there were concerns with three-hour meetings. That's why, with the witnesses, I didn't feel that we should be dragging this on for three weeks to try to get them done. That's why there are the extra meetings on Tuesday, Wednesday, and Thursday, as far as that goes. I'll just mention that in terms of the context of the actual motion we are dealing with.

Ms. Dhalla, please.

Ms. Ruby Dhalla: This is in relation to that and what's been mentioned by Mr. Lessard and Mr. Silva. Whether we finish hearing all the witnesses on February 8, or whether the motion doesn't pass and we don't end up hearing them until February 13, it is important to have a balance. There are a number of stakeholders and a number of constituents in all of our ridings who are very passionate one way or the other, and we owe it to Canadians, as parliamentarians, to ensure that there is balance. There have been a number of witnesses who have already come forward, but perhaps other witnesses and stakeholders have not contacted the clerk or us as MPs because they were under the impression that the hearing and their opportunity had expired.

Whatever time we do have left to hear witnesses, it is important that we have representatives from all sides.

The Chair: Thank you.

We have Mr. Lessard.

[*Translation*]

Mr. Yves Lessard: If a motion is properly tabled, we will look at it closely. We thought that we could carry on in the way that we had decided. Earlier, I described how this came about and how the imbalance was created. If there is anything new to propose, I can tell you that there will be witnesses from the transportation sector. I have a long experience in negotiating with this sector. I know that they would like to come, but I also know that they have already been represented by their central body. This is also the case with education and health. I have no objection to proceeding in this way, but let me emphasize that this is not what we had agreed on at the outset. As I said earlier, some solutions were improvised, which is unfortunate. It led to the current situation, which is unfair.

Now we have to choose by default because someone was absent on this side of the table. We know what this has led to. Mr. Chairman, it was your decision. We have to make do with the current situation. If we want to find a balance, let me tell you that we will find it. We can do it by calling in the proper witnesses. Those who allowed the current situation to develop are telling us that they want to restore an equilibrium. There are organizations that are ready to come here to restore the balance. This could take us to the 13th of the month.

[*English*]

The Chair: We'll go to Ms. Davies.

Ms. Libby Davies: Just in response to that, I realize that there is an imbalance in the witnesses that we are yet to hear, but I'm also very concerned about the time. I think if we begin to add witnesses at this point, then this will just go longer and longer.

So my proposal is to make sure that the witnesses we have scheduled now are heard. The technical briefing, and everybody has said this, is very important. If we just keep adding witnesses, we're going to be putting that off.

I would like the committee to focus on the business. I really think we've heard the arguments. We have heard the arguments from business and labour. So you can add more labour. I mean, I'd love more labour to come, but I don't think you're going to hear anything new in terms of the arguments that are presented.

I think what the committee needs to focus on is to get into this bill and go through it, to hear the technical witnesses, and to then go through it clause by clause to see where we're at and to see whether there are any changes or clarifications because of things that have arisen.

I'm arguing that we not change this motion, that we stick to a timetable. This moves it up by one week and makes the compromise that we add some additional hours to make sure that we can do our business. I think it's reasonable, and it will allow us to focus on the technical discussion, which we need to have, frankly, and then to do the clause-by-clause.

● (1755)

The Chair: Go ahead, Mr. Lake.

Mr. Mike Lake: I just want to say a couple of things. I agree with Ms. Davies that we need to get the technical witnesses in here sooner rather than later. I think we do need to get technical witnesses in here. It will help us to understand and put in context more of the testimony that we're hearing.

As for the type of witness testimony we're hearing, I would say that actually today, at least on the business side, was very different from what we've heard from more national organizations. We actually heard more examples that are specific regional examples from your own areas, and I do think it's important that we hear more regional testimony. If there are labour groups that want to come in that can offer a different perspective from what their national organizations have given—I'd be surprised if that were the case—and if they can and want to come, then I would agree with Mr. Lessard: let's involve them, as well. That would be fine with me.

Further to Mr. Lessard's point, as far as the mechanics of this committee, this all came about because you guys tried to do this in two meetings within one week. So you talk about gamesmanship. I think that was the prime example of gamesmanship on this committee, trying to put this through in three days of testimony, basically, and that's ridiculous. What went on after that was just a simple response to that.

My recommendation would be that we stick with the schedule as is.

The Chair: Okay, if there are no comments, then we'd certainly be happy to call the question.

Madame Lavallée.

[*Translation*]

Mrs. Carole Lavallée: First and foremost, I want to tell Mr. Savage that I would never have compared him to Mr. Baird. I could never compare the two with regard to social conscience. I have too much respect for you, Mr. Savage.

As for the calendar, let me say that it does not end on February 15. Earlier, we were told that it was only a week, and that we should be patient. In fact, the calendar ends on February 21. It is true that there is not much time between the 8th and the 15th, but if we defer it to the 21st, we will also be deferring all the subsequent procedures in the House.

[*English*]

The Chair: If there are no more comments, I'll call the question, then.

The motion is:

That, in relation to Bill C-257, this committee direct the clerk to ensure that the hours of currently scheduled committee meetings are extended as necessary so that a technical briefing be held no later than February 1; that all currently scheduled witnesses be heard by no later than February 7; and that a clause-by-clause reading of the bill be completed on February 8, 2007.

All in favour of the motion please signify.

Ms. Libby Davies: I would like a recorded vote.

The Chair: A recorded vote? Okay.

(Motion negatived: nays 6; yeas 4)

The Chair: Now I want to read a motion for the proposed budget of \$18,500....

I'm sorry?

• (1800)

Ms. Libby Davies: I move that the budget and the proposed calendar be moved to a steering committee meeting for consideration and discussion.

The Chair: We have a challenge: we have witnesses booked to come tomorrow, which is a part of the calendar, so that presents a challenge.

[*Translation*]

Mrs. Carole Lavallée: We met today without adopting a schedule.

[*English*]

The Chair: The challenge is that we have witnesses coming tomorrow who are scheduled for a video conference that we need to have the funds approved for.

Ms. Libby Davies: How did you get the ones today?

The Chair: There was no video conference today.

[*Translation*]

Mrs. Carole Lavallée: What I said earlier, was that you held today's meeting without having adopted a schedule. Consequently, a

meeting could very well be held tomorrow without adopting a schedule.

[*English*]

The Chair: Sure, we could address the calendar tomorrow; we could set aside some more time.

[*Translation*]

Mrs. Carole Lavallée: To the steering committee.

[*English*]

The Chair: Could I have someone move that the proposed budget of \$18,500 be adopted, and that the chair present the said budget to the subcommittee of the Liaison Committee?

Ms. Yelich moves it.

Monsieur Lessard.

[*Translation*]

Mr. Yves Lessard: I have a question about the budget, Mr. Chairman. Have we always adopted budgets for witnesses? Formerly, witnesses came at their own cost.

[*English*]

The Chair: Yes, we would, if... We're going to see them via video conference, so this is to hear some of the witnesses via video conference.

Mr. Lessard, and then Ms. Davies.

[*Translation*]

Mr. Yves Lessard: If I understand correctly, those are the video fees. These are not the witnesses' travel expenses. The people who came before the holidays and those who came today did not claim any travel expenses. This only covers the technical part.

[*English*]

The Chair: There were no fees before, because all the witnesses were from Ottawa, and these other witnesses are from out of town.

Ms. Libby Davies: Then how did the B.C. witnesses get here? Under what budget did they come? Was it previously approved?

The Chair: It was out of their own budget.

Ms. Libby Davies: Out of whose budget?

The Chair: Their own budget; they paid their own way to be here.

Ms. Libby Davies: They all paid their own way?

The Chair: They felt pretty strongly.

Ms. Libby Davies: What kind of process is that? That's very unusual.

The Chair: Once again, these are all witnesses who asked to be here.

Ms. Libby Davies: That is highly unusual. Were they told that they could be reimbursed? I've never heard of that, where witnesses come and pay for themselves in advance of a budget being approved.

The Chair: They were instructed by the clerk that if they were not prepared to do it by video conference, then they would have to pay their own way.

Ms. Libby Davies: Well, my motion is that the calendar go to the steering committee—

The Chair: We have another motion on the table right now, for the budget.

Ms. Libby Davies: I said the budget and the steering committee. My original motion was that the budget and the steering committee... that the calendar and the budget be referred to the steering committee. That's what I moved about five minutes ago.

I would be prepared to say that a budget be approved for the witnesses who are necessary to come until the steering committee has concluded a further budget, so that you have something to cover you, but that the steering committee meet as soon as possible.

The Chair: We have witnesses coming tomorrow for whom we need to approve the budget. Once again, this calendar—

Ms. Libby Davies: I would be prepared to say that until the steering committee has approved whatever further budget, we approve now enough money for witnesses to come until the steering committee has concluded its business. That covers you, but the calendar and the rest of the budget can go to the steering committee to be sorted out.

The Chair: We have a calendar before us that we're prepared to discuss tomorrow. We have witnesses showing up tomorrow whom we've already confirmed. My suggestion is, once again, that we approve the budget and also look at the.... Are you going to tell the witnesses they can't come? We're talking about....

Ms. Libby Davies: Did the witnesses who are coming tomorrow also pay their own way?

The Chair: That is correct, with the exception of one video conference, which is why we need approval of the budget.

Ms. Dhalla.

Ms. Ruby Dhalla: I will be supporting Ms. Davies' motion, because I do think the budget and the calendar should be looked at by the steering committee instead of taking up the valuable time of other parliamentarians. It is obviously a huge discussion that precedes all of the newer members.

Secondly, I think the steering committee also needs to take a look at the fact that these witnesses are paying their own way, because I do not think it's right to exclude other witnesses who may not have the financial resources to appear before the committee.

• (1805)

The Chair: It's always made available by video conference, so we would never exclude them.

Ms. Ruby Dhalla: Okay, but I would support Ms. Davies' motion on having this discussed at the steering committee.

The Chair: I would just say once again that the steering committee has come back to discuss a schedule. You have a calendar in front of you. My suggestion is that we look at hearing the witnesses over the next two weeks. We can still discuss the schedule tomorrow. Everything from the steering committee has to come back to the main committee anyway.

Ms. Libby Davies: I'm going to split my motion, because I think there might be some difference of opinion.

I do think the calendar, rather than being discussed by the whole committee tomorrow, should actually go to the steering committee. I'd like to move that the calendar go to the steering committee and that the steering committee meet as soon as possible. I will withdraw

The Chair: Just a second. We have an original motion by Ms. Yelich that the budget be approved for \$18,500, so let's deal with one at a time. But we will deal with all three motions.

An hon. member: Could you read the whole motion?

The Chair: The whole motion, as moved by Ms. Yelich, is:

That the proposed budget of \$18,500 be adopted, and that the chair present the said budget to the subcommittee of the Liaison Committee.

Mr. Lessard, go ahead.

[*Translation*]

Mr. Yves Lessard: Before I vote, Mr. Chairman, I want to know what I am voting on. Correct me if I am wrong. We heard witnesses in the past, with regard to employment insurance reform, and to my knowledge, we did not create any budget for that purpose. Did the witnesses who came before the holidays come here without our adopting a budget?

I would simply like to understand what is going on. We are not only talking about the video-conference fees, but we are also dealing with the expenses of the witnesses. Did the witnesses who came before the holidays claim their expenses? Were they entitled to that? Did they know that they were entitled to a refund of their expenses? Are we now creating a rule whereby we will pay the expenses of the witnesses we invited pursuant to the Conservative motion? Mr. Chairman, I would just like to understand this before voting. I have always voted on issues that I understood. However, I do not understand this one.

[*English*]

The Chair: That's a fair question. Part of it is for video conferencing. Part of it is to cover the expenses of witnesses should they request to be paid to be here. That's what we need to pass.

Ms. Libby Davies: You don't have to request for them. His question was about what budget the previous witnesses came under.

The Chair: Once again, they were all from Ottawa, so there was no request. These are from regional—

[*Translation*]

Mrs. Carole Lavallée: Montreal.

[*English*]

The Chair: Sorry, locally.

Once again, they did not request funds. This is for funds for video conferencing, which we prefer to do if we can do it, as well as for money for any other witnesses should they request to be reimbursed for their travel.

There may be a chance that we may not need this money, but the point is still that it is there and in place in case we need it for the witnesses.

Madame Lavallée.

[*Translation*]

Mrs. Carole Lavallée: All this does not add up. This is surreal.

Mr. Chairman, there has been no due process. Normally, to draw up a schedule like the one you drew up, you should have called a meeting of the steering committee. At that meeting, the members could have anticipated the costs and you would have taken steps to cover the costs before the money was spent.

We are now in a surrealistic situation where we have to approve expenses very quickly because you have already made commitments. This is not a normal situation. We are trying to adapt to your abnormal situation, and let me tell you that I, for one, am very uncomfortable with it.

The best thing to do would be to call a meeting of the steering committee to deal with your budget and your schedule tomorrow at noon or very early tomorrow morning, before our caucuses, so that you can correct the error through a normal procedure. The current procedure is not normal, and that is why we have all this unrest.

• (1810)

[*English*]

The Chair: Once again, this followed procedure. There was a motion put before this committee before Christmas that witnesses who requested to be here would be allowed to come. They were contacted. It was set in place. They've all agreed to be here. Now we're asking to approve a budget so that should some of those witnesses require reimbursement, we'll be able to deal with it. Plus, of course, there is obviously video conferencing.

It's over the next two weeks. We can meet with the subcommittee. It's going to have to come back and be approved by the committee anyway. You have a proposed calendar in front of you for the next two weeks.

What I'm asking about right now is that we have a motion on the floor by Ms. Yelich proposing the budget of \$18,500, which we may or may not use, to cover off the video conferencing and any individuals requesting to be reimbursed for travel. That is the motion on the floor.

Mr. Lessard.

[*Translation*]

Mr. Yves Lessard: Mr. Chairman, I am trying to figure out the logic. We are pressed for time, because witnesses are coming tomorrow. There were witnesses from Quebec before the holidays and there were also witnesses from Montreal.

There was no urgency before they came and there was no urgency on the day they appeared or on the following day. Why is the matter urgent today? I would like to understand this.

[*English*]

The Chair: Sure. Either the individuals did not request to be covered for expenses or it was covered under a general fund that we had in place.

[*Translation*]

Mr. Yves Lessard: Were they told that they could claim their expenses? Were the people present here today informed of this? Did anyone submit a claim?

Mr. Chairman, can we discuss this issue at the steering committee? I do not see any urgency because the decision has already been made. I would like to debate this at the steering committee to try and clarify all these questions that we are raising.

I do not want to complicate matters. I want to be able to explain things logically. Currently, I do not see the logic.

[*English*]

The Chair: Mr. Hiebert.

Mr. Russ Hiebert: If I understand you correctly, Mr. Chair, you're simply saying that tomorrow we have a definite expense in the teleconference, and it's a definite expense that we will have to face unless we cancel those witnesses. So you're asking for money to make sure we have the money in place to hear those witnesses.

It seems perfectly reasonable. I would urge all members to allow the budget to pass, and if we want to amend it we can always amend it. But for the time being, let's give the opportunity for the witnesses who are scheduled for tomorrow to appear by video conference. We have to be able to pay for that.

The Chair: Okay, if there are no other questions—

Ms. Libby Davies: But that motion before us is not just for tomorrow. It's for everyone who has been scheduled so far. It's \$18,000.

The Chair: Once again, Ms. Davies, if there's any money that's not spent, it goes back to the committee. We don't have to spend the money. It's just making sure that we have ourselves covered so we don't have to go back a couple of times.

Mr. Lessard.

[*Translation*]

Mr. Yves Lessard: Mr. Chairman, we do not apply the same rule to everyone. This is something like the Guaranteed Income Supplement. Although you are entitled to it, you are not told about it. Therefore, you cannot get it because you do not know about it.

The same applies to the current situation. Some witnesses came before the committee. We didn't try to save the committee some money by hiding from the witnesses their right to claim expenses. In my opinion, all the witnesses should get the same information. I am convinced that some witnesses will claim the expenses whereas other witnesses will not. But why do we apply this rule, all of a sudden, to the witnesses who are here today and those who will come tomorrow, whereas it did not apply before the holidays?

Mr. Chairman, I am completely confused.

[*English*]

The Chair: Actually, the rules remain the same. Everything has been consistent. The Board of Internal Economy has asked that anyone travelling first be asked if we could do it by video conference, which is what the clerk has done. Should anyone request any funds, then we have been able to take those out of the general budget.

We now have additional witnesses, for which we don't have any more general funds available, and that is why we're asking to have the budget approved, so that should any of the witnesses who will be coming before us over the next week or two request funds, we will be able to take care of that, and certainly be able to take care of the video conferencing as well, which some people have opted to do. They want to be put in by video conference. So this is exactly the way it has been handled before. We haven't had to request money before, because we've been able to take it out of the general funds.

• (1815)

[*Translation*]

Mr. Yves Lessard: I do not want to debate this issue, but I want to understand it. If I understand correctly, we did not adopt a budget before the holidays because a budget had already been approved. Did I understand correctly? Is that what happened? If so, then I have my clarification.

[*English*]

The Chair: Every committee has a \$5,000 budget for general funds. That would have been used for that.

[*Translation*]

Mr. Yves Lessard: Therefore, this had already been approved.

[*English*]

The Chair: So I'll call the question, then.

[*Translation*]

Mrs. Carole Lavallée: I would like to clarify a point. Is it normal to vote on Mrs. Yelich's motion in her absence? It is normal? All right.

[*English*]

The Chair: Okay.

(Motion agreed to)

The Chair: My suggestion is that we bring the calendar back tomorrow.

Ms. Libby Davies: I have another motion. I move that we refer the calendar to the steering committee for discussion, for report back to the committee as soon as possible.

An hon. member: I didn't hear it.

Ms. Libby Davies: My motion is that the calendar be referred to the steering committee, and that the steering committee meet as soon as possible, for a report back to the committee as soon as possible.

The Chair: Okay.

(Motion agreed to)

The Chair: Thank you.

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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