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

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**EVIDENCE**

**Tuesday, March 4, 2008**

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**Chair**

**Mr. Dean Allison**

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

Tuesday, March 4, 2008

•(0905)

[English]

**The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)):** We're still missing a few people, but we do have quorum, so we're going to start.

Pursuant to the order of reference of Tuesday, October 16, Bill C-265, An Act to amend the Employment Insurance Act in regard to qualification for and entitlement to benefits, I want to welcome today Mr. Godin, the sponsor of the bill.

Thank you, sir, for being here.

We're going to commit the first hour to this. So perhaps, Mr. Godin, you would like to go with your statement. We have members who are going to be coming in, and we're going to be pretty much filled up here, hopefully very shortly.

Before we get started, however, all the members will find in front of them a request for budget. This is some housekeeping we need to take care of. We need a motion to pass that. This is to deal with this particular private member's bill we have before us. You'll see in front of you the potential cost for witnesses. Keep in mind that whatever money is not used will be returned to the envelope, so this is just the highest-case scenario. Because we have some local witnesses, there may not be much cost at all, but we do need to present a budget.

If I could have someone move a motion for that, then we can have some consensus on the budget.

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** I so move.

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

Is there any debate to this budget? No. Then I'll just call the question.

(Motion agreed to [See *Minutes of Proceedings*])

**The Chair:** Thank you very much. That was relatively painless.

Let's move on, then, to Mr. Godin.

Sir, the floor is yours.

[Translation]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Thank you, Mr. Chairman and committee members.

It's a pleasure for me to be here this morning to discuss Bill C-265, An Act to amend the Employment Insurance Act (qualification for and entitlement to benefits). I haven't prepared a brief because I feel I

know the employment insurance question well enough to be able to discuss it for the next 10 minutes.

I would like to begin by saying that I'm proud that Parliament has voted to refer the bill I've introduced to our committee so that we can discuss it and see whether we can improve it.

In 1986, the Auditor General made some recommendations to Brian Mulroney's Conservative government. He recommended that the employment insurance funds be paid into the Consolidated Revenue Fund. In 1988, after the funds were paid into the Consolidated Revenue Fund, the government realized that the fund was becoming a cash cow. These funds had virtually become a tax. It saw the funds being paid into the Consolidated Revenue Fund and thought that, if it amended employment insurance and proceeded with cuts, it could make gains and apply those to the debt and balance the budget. That is precisely what occurred.

Mr. Chairman, I remember that, on July 31, 1989, *L'Acadie Nouvelle* reported that my predecessor, Doug Young, had asked all New Brunswickers to fight hard against the change made by the government because it would be a disaster for New Brunswick. At the time, he was speaking on behalf of New Brunswick, since he was only an ordinary opposition member. Around February 1993, when the opposition leader was the Honourable Jean Chrétien, a letter was sent to a group of women from Mouvement Action Chômage, in the Rivière-du-Loup region, stating that the government was punishing workers by making the cuts, that unemployment insurance was not the problem, but rather that the economic problem had to be solved.

Then, in the fall of 1993, the Liberals came to power and continued making changes to employment insurance. I'm not tossing balls around and making everyone angry. I don't want to prevent you from voting in favour of the bill. I'm setting out the actual facts that have been made public.

Once the changes were started, could we blame senior officials for getting it into their heads that unemployment insurance benefits had to be cut because giving people money made them indolent and lazy? After the Liberals came to power, an article in the *Globe and Mail* triggered comments in the Hamilton region. In that article, Doug Young was reported as saying that people from the Atlantic region were a lot of lazy and indolent people and that was why they wanted employment insurance benefits, but that he was going to change matters. He thought that the *Globe and Mail* wasn't distributed in the Atlantic region. It was in 1997—and Mr. Cuzner no doubt remembers this—that we realized that Atlantic workers had really reacted to those remarks.

People wonder why Yvon Godin wants to be so generous by lowering the number of hours required to 360, and think that makes no sense. You have to remember that, in those years, a person had to work 15 hours a week and accumulate 150 hours. You could say that unemployment insurance was generous, because it wasn't as hard to qualify: you had to work 15 hours a week and accumulate 150 hours. The 15 hours a week applied to male and female workers, especially female workers. A number of women worked 20 hours a week. Not everyone worked 40 hours a week. The 150 hours equalled about 10 weeks of work.

• (0910)

In the Atlantic provinces, we are lucky to live beside the Atlantic Ocean. We are lucky to live by the sea, which enables us to create a fishing economy. We also have forests. We could talk about this for a long time, since we're losing it as a result of the closure of the paper mills. I've said this many times in the House, colleagues: the Bay of Chaleur freezes along the coast in winter. In addition, the government imposes quotas.

It isn't employees who decide whether or not they can work year-round; it's government regulations. There are quotas.

For example, with regard to the crab industry, you can catch approximately 26,000 tonnes of crab. The fishery is over in less than six weeks. What do people do then? No one ever decides on Friday morning that he won't go to work on Monday and thus have his wages cut in half. I don't think so. I've never seen anyone from the Atlantic who is indolent, lazy and doesn't want to work.

You need only look at the number of people taking a plane and going to work for the oil industry in the west. These people like to work and work hard, but our industries are seasonal.

Statistics Canada has conducted some studies. The government argues that 85% of people eligible for employment insurance are receiving it. That's what the government says. The government today takes the same line as the previous Liberal government. It's senior official speak.

In the first report published following the major changes made to the employment insurance system in 1996, it was said that only 42% of people who contributed to employment insurance could receive benefits. Perhaps I'm mistaken, but I believe that's what was written in the first report. That hit hard, and everyone said it made no sense. So they took a different tack and said that 85% of people eligible for employment insurance were receiving it.

The question was asked here in committee meetings. I myself was present when questions were put to officials from Human Resources and Social Development Canada. The question was clear.

People are contributing to employment insurance, but don't qualify for it because they haven't managed to accumulate 910 hours of work, or 840 hours of work in certain regions. It takes 910 hours of work to qualify for employment insurance the first time. University students contribute to employment insurance, but don't qualify for it because they don't have enough hours of work. There are also all those people who work part time in Canada and who can't accumulate 910 hours of work during the year.

Here's another example. In 1999, Minister Pettigrew said that the problem only affected the Atlantic provinces, that it didn't affect the rest of Canada. I said to myself that I should go and visit the rest of Canada, and I did a national tour. I also sent out copies of my tour report. I visited all the provinces of Canada. I went to 22 regions, I attended some 53 public meetings, and I wrote a report.

I met one lady from Nanaimo who had been in a coma for 10 days. When she came out of the coma, she went home. She wanted to receive health insurance and employment insurance, but she was short two hours of work. In three years of work, she had never been able to accumulate the required 700 hours of work. She had accumulated 698 hours of work. So she was only two hours short of being eligible for employment insurance. The 420 hours required, or more depending on the region, represent a number that is too high for newcomers, because of the industry they work for, not because they leave their jobs in order to go home.

• (0915)

The act is clear: if a person voluntarily leaves his employment, he does not qualify for employment insurance. In that case, the person doesn't leave his job; it's the employer that says that it can't offer him employment because it has reached its crab and lobster quotas, that the lobster fishery is over, and so on. In Prince Edward Island last year and the year before, there weren't enough people to work in the fishing industry. Workers even came from Russia to work when the unemployment rate was 20%. People have gotten to the point where they prefer to live on welfare because, that way, they feel better treated. When you've gotten to that point, I think there's a real problem.

Here in Ottawa, when we talk to our colleagues about the employment insurance problem, some suggest that people affected should move out west, where there's enough work. Excuse me, but we don't want to move the entire Atlantic region and northern Ontario out west. There are major industries, including fishing and forestry, in Vancouver as well, where I went. Some employers in major industries should have a system that can help them.

The qualification requirement must be lowered to 360 hours to give everyone an equal opportunity. If someone loses his job, whether it be in Rivière-du-Loup, Timmins, Nanaimo or Fort McMurray, he's still an individual who has lost his job. Employment insurance should be used to compensate for that loss of employment by supporting the families of those individuals until they find another job. Everyone should have equal access to this system, which is funded by them, not by the government. It is employers and employees who contribute to the system. The system should therefore enable those individuals to access their own insurance system rather than make it so that the funds are diverted to pay down the debt and to achieve a zero deficit. We've seen that the \$7 billion surpluses each year have been diverted from the Employment Insurance Fund for that purpose. It's really through this fund that the government has paid down its debt and balanced its budgets. The fund should enable the most vulnerable citizens to access this program, which they themselves fund.

In addition, we should focus on the best 12 weeks of the year. The employment insurance program already collects a percentage on these people's wages. If they work for minimum wage or \$9 or \$10 an hour, telling them that they will only receive 55% of their earnings if they don't look for a job is one way of urging them to look for one. I'd like the percentage to be 66%, but it's currently 55%. These people are doubly penalized under the divisor of 14 policy, which only applies to certain places. But, in reality, who are we punishing? We're punishing the family, man, woman and children. It's not for no reason that 1.4 million children are hungry in Canada. In my opinion, the changes made to the employment insurance system by successive governments have really caused this problem.

I still sincerely believe that all Canadians are stalwart individuals. If we attack the economic problems and create employment, people will be proud to get up on Monday morning to go to work. They will go home at night with a paycheque that they have honestly earned. It is the Government of Canada, not the workers, that has come to depend on the employment insurance system to pay down its debt. These are the two changes that I have requested in the context of this bill. I am prepared to answer your questions.

• (0920)

[English]

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

I want to remind members, because it's been a little while since we've had some questions and answers, that in the first round you will have seven minutes each. We will start with the Liberals, followed by the Bloc, the NDP, and the Conservatives. We'll probably have a round or a round and a half today.

Mr. Cuzner, you have seven minutes, sir.

**Mr. Rodger Cuzner:** Thank you very much, Mr. Chairman.

I want to thank my colleague for his presentation and for coming forward with this bill. Having had the opportunity to work with him and Monsieur Lessard on a past study, I know that some good recommendations were put forward through that study. Some good provisions and good measures were taken. I know that the elimination of the divisor rule and the "black hole" provision were important to workers. We made some strides in those areas anyway. I certainly respect my colleague's commitment to this issue.

It speaks to a larger issue. It's not just about EI, but about rural communities and sustaining a critical core of people, a critical mass of people in these rural communities where we harvest the fish and harvest timber for our mills. There has to be a way that we're able to keep these people in the communities they want to be in, in those industries that are seasonal in nature.

As Mr. Godin has mentioned, they're not seasonal workers, they're workers who are employed in seasonal industries. Many work in a number of those industries. They'll go from the fishery to forestry, or they'll move into tourism for a period of time.

In speaking with some groups and individuals on this particular thing.... There's a caution. I want to ask if Monsieur Godin has affixed a cost to the program in regard to dropping the number of required hours. The concern I've heard from some interventions that

were directed to my office was that if we open it up, if we don't specify the areas of higher unemployment, if it becomes too costly and if it's right across the board, then overall the number of hours will continue to creep up. There would be no preferred requirement for the areas of higher unemployment. They see that down the road it may be a concern, and uniformly the required number of hours will be increased to the disadvantage of those areas that have the higher levels of unemployment.

I'd like your views on the costing and whether you think this is a concern.

**Mr. Yvon Godin:** Maybe our analysts could find out the cost through human resources. This has been beaten left and right and pounded on for so many years. When we look at the 360 hours.... I believe the costing was already done, and it's less than \$1 billion. I think it's around \$300 million per year. It was already done in the past. I don't have the number with me here today, but I believe it would be easy to find.

When you're talking about the increase for the numbers of hours that could happen, we have to remember where we came from. We used to have only 15 hours a week and 150 hours. The only thing that I know, that I believe, is that the increase that happened is that the government has put \$57 billion in the general fund. Nobody seems to be worried about that. I didn't hear anybody screaming over that—taking the money, not from the taxpayer.... And there's a difference.

For the taxpayers, the people who go in and work in the morning, get their paycheques, there's the gross on their paycheque. Then there's CPP for when they take retirement, so they'll have a little pension plan. One is called employment insurance, and that one is so when you lose your job, you'll get something. That's what it means. Then you have income tax. The income tax is to pay for everything that we collectively want—hospitals, education, etc. And for the debt, they call it the GST. They created the GST to pay the debt. It seems to me that the debt could not be paid with the GST, so now we're going to steal from workers, because the workers cannot defend themselves.

What I'm saying is that if we feel that the cost could come up, the only way to resolve that is by creating jobs. New Brunswick alone lost \$270 million per year in benefits for employment insurance. For the labour market, they have put in \$100 million per year for training programs. So there's \$170 million that just went to the general fund that maybe could have created jobs.

• (0925)

**Mr. Rodger Cuzner:** I know my colleague will recognize that over that period of time, from 1993 on, the unemployment rate came down from 12.5% to 6.5%, so there were fewer people pulling out of the EI fund and more people paying in. I know you'll recognize that.

Let me ask you something. I appreciate that we represent very similar types of ridings. How are the older workers retraining programs being received in your communities by the workers?

**Mr. Yvon Godin:** How are they being received?

**Mr. Rodger Cuzner:** How are they being received? Are you finding the fish plant workers are seizing the opportunities and taking those retraining programs? Are you seeing that within your communities?

**Mr. Yvon Godin:** I'm talking about the fish plant. Let's be honest, who do you have in the fish plant? You have women most of the time. On the oil rigs in Alberta, they don't hire women. They hired a few to go to the camps that they live in. Even if they have the retraining, they don't have the jobs created to give them a job.

Then what they have to do—let's be honest—is put them in school, because if you don't go there, you don't get anything. They learn and they learn and they learn, and we're spending the money training them, with no jobs. That happens in many cases.

**Mr. Rodger Cuzner:** But the resource is going down. Specifically in the fisheries, we know the resources.... The numbers and the quotas have gone down, and the numbers aren't there anymore. We've seen some positive results in the older workers program. We're seeing a bit of a shift, and we're getting some of them involved in IT. They're mainly the younger workers from the fish plants, the last generation to enter the fisheries.

I'm just wondering how it's going in your area.

**Mr. Yvon Godin:** Well, we have those training programs going on, and another program just came out last week with \$6 million to \$8 million for training, but as I said, we have to be careful. You don't try to take a person who has grade 8 and make him a grade 12 when he's 58 years old.

You're talking about older workers. Maybe we should look at a different program and say, okay, the industry is going down. We had programs called PATA before, and PATU. Then we said we'd give early retirement to those people, and then concentrate on another group on a voluntary basis, and then look at the others and ask how we can train them, and we have that program. But I still have so many people coming into my office saying they'd like to qualify to go in the programs, but they're still not qualified. They want to learn and they cannot qualify.

I think we should be more open. For example, we started by training people who had grade 8 and were able to collect employment insurance and paid some of the program. Then they switched them from grade 8 to grade 10. If you were on the grade 8 level, you could not get it anymore; you had to go and study at night.

Then there could be more money used to train people from the younger generations who didn't have the opportunity to go to school. That's what happened in the fishery. For the ones who know the history of the fishery, it was easy to get a job in there. You didn't need much qualification, and they thought they would have a job forever. Then they got into the fishery, and when the fishery closed down, they ended up with no education and no job. I think we should admit more people to that part of the training program.

• (0930)

**The Chair:** Thank you very much, Mr. Godin and Mr. Cuzner.

We'll move to Mr. Lessard. You have seven minutes, sir.

[*Translation*]

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

First, I want to thank our colleague Mr. Godin for tabling his bill. It is entirely relevant and consistent with the positions he has held, and that his party and we have held, throughout the debate that we have had on employment insurance.

As Mr. Cuzner rightly recalled earlier, important work was done, particularly in 2004 and 2005, when a subcommittee was struck to study employment insurance reform. There were 28 recommendations. Two of those are represented in the measures put forward this morning by our colleague Mr. Godin.

Incidentally, at the time that work was done, Mr. Malcolm Brown, Assistant Deputy Minister at the Department of Human Resources and Skills Development at the time, now Human Resources and Social Development Canada, came to testify before us on December 7, 2005. He told us, in response to a request that one of us had made to him, that the principle of the 12 best weeks would cost \$320 million and would affect 470,000 unemployed workers. That's not nothing. That measure had an impact, in terms of efficiency. He told us that, if the qualification requirement were lowered to 360 hours, that would cost \$390 million and affect 90,000 unemployed workers.

There was no doubt about the answer to the question that we had studied, that is whether we could make that kind of financial commitment to the fund, since the surpluses generated by the fund were in the order of \$3 billion a year at the time. You'll remember that the surplus was \$7 billion in 1997. Approximately \$3 billion of the surplus was applied against the debt. Our colleague told us that earlier.

That being stated, what is a bit awkward in all that, Mr. Chairman, is that we are talking through both sides of our mouth. That's the problem in improving the employment insurance system. It's on that subject that I am speaking to my colleague. Politically, we're doing very good work that is producing results. Eight recommendations came out of that report and were unanimously adopted by all parties on December 16, 2004. That concerned the independent fund, an administration managed on a majority basis by those contributing to it, employers and employees, and the repayment into the fund of the \$46 billion that had been diverted from it. Twenty more recommendations were adopted on February 15, 2005. That one, I recall, was among them.

In terms of consistency, I would emphasize right away that we have to see how we can manage to introduce a bill that corresponds to those requests, to those two measures, and that is passed by the House. That's the work we have to do, and it's on that point that I'm speaking to my colleague. We've constantly been coming back to this, me included, for some time now. What's missing? The finding is virtually unanimous: it makes no sense that, of all those who contribute to employment insurance, only some 40% can draw benefits, and that there is no way to improve this system. What's missing?

**Mr. Yvon Godin:** I believe that what's missing is that the Auditor General decided in 1986 to recommend that the money be put into the Consolidated Revenue Fund. So then it became the government's cash cow. Now the government depends on employment insurance. Today, the government feels that, if it makes changes, it will lose that money.

• (0935)

**Mr. Yves Lessard:** Pardon me if I interrupt you on that subject. We've already had that debate. Furthermore, the government has just indicated that it will put in place an employment insurance fund management agency.

**Mr. Yvon Godin:** You have to watch out for that.

**Mr. Yves Lessard:** My question is twofold. Is it a good measure, and isn't this an opportunity to start improving the system?

**Mr. Yvon Godin:** You have to watch out for that. The government says it wants to remove the Employment Insurance Fund from the Consolidated Revenue Fund. That's what the unions are seeking and also what I've been seeking from the outset. I never asked for a Crown corporation to be established as a result of which the minister who must be accountable to the public would ask that corporation to be accountable for him. That's what's currently happening with Radio-Canada, which is a Crown corporation. You have to put the questions to its president. If we ask questions about Canada Post, we'll also be told to put the question to that corporation. That way, the government washes its hands of it. Then there will be an appointment. The Conservatives are currently in power, but they won't always be. I say that with all due respect. Regardless of the government in power, it will appoint the president and whomever it wants at the Crown corporation. I think there is a fundamental danger that it will go through the back door to do what it can't through the front door and that it won't be accountable to citizens.

I think that the creation of a Crown corporation is the wrong direction to take. We asked that the Employment Insurance Fund be removed from the Consolidated Revenue Fund and become independent, and that their cash cow be removed and ultimately be made available to people.

Each of you has a copy of the recommendations I sent to the committee. One of the bills that I introduced in the past contained approximately 14 changes. At the time, the Liberal government, supported by the Conservative opposition, voted against the bill saying I wanted too much. So I decided to introduce this bill by proceeding request by request. It only contains two requests: the criteria of 360 hours and the 12 best weeks.

The purpose of the 360-hour criterion is to facilitate eligibility. According to Statistics Canada, of the people who contribute to the

Employment Insurance Fund, only 32% of women and 38% of men qualify. The government responds that 85% of those who qualify for employment insurance receive it. Dear lord, that figure should be 100%, if they're eligible for it. But 15% don't receive any benefits.

You have to watch out for the language they use to defend their cause. However, the statistics and research are clear: of the people who contribute to the fund, only 32% are women, 800,000 individuals do not qualify for employment insurance, and 1.4 million children are hungry in Canada. Families are being punished, whereas they're paying for this system.

[English]

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

We're now going to move to Denise for seven minutes.

[Translation]

**Ms. Denise Savoie (Victoria, NDP):** Thank you.

I'm pleased that Mr. Lessard mentioned those two recommendations and what it would cost to lower the qualification requirement. There seem to be three possibilities. As the government constantly repeats, and as you said, Yvon, people prefer to have a good job. No one is questioning that.

As was pointed out, we don't seem to want to adopt coherent recommendations that would help people who don't have jobs. The government also seems reluctant to head in the direction of economic development, to invest in the communities and regions that may be in difficulty or where the unemployment rate is higher.

In British Columbia, the government has cut funding for the Western Diversification Fund, the purpose of which was to promote economic development.

You mentioned workers who have a grade 8 education and who may have literacy problems. The government has also cut funding for programs that can help people improve their literacy levels.

What literacy measures would help promote economic development across the country? What was the impact of cutting literacy funding on your workers?

You've already partly answered my question on the bill that you're introducing by saying that the government seems to refuse to create an independent fund. Could we explore other avenues in order to convince the government? Mr. Lessard mentioned that these measures could cost \$340 million out of a fund where revenues are \$15 billion. So there seems to be no reason for the difficulty in adopting this kind of recommendation.

•(0940)

**Mr. Yvon Godin:** As regards economic development—and I'm merely floating the idea—I think the governments could be more proactive and opt for a secondary and tertiary processing industry. We've been talking about these things for a long time now. In regions with few resources left, in fisheries, for example, fish is currently being sold in markets. People come and work in the plants in the spring, but why couldn't they freeze the fish, carry out secondary and tertiary product processing rather than ship it to Japan? People in those countries are smart enough to do secondary and tertiary processing, then to come and sell us the processed product. That also applies to American markets.

Economic development doesn't just apply to fishing, but to forestry as well. Why wouldn't we proceed with secondary and tertiary processing of forest products rather than ship them elsewhere? Paper mills are currently shutting down. In our region, in eastern New Brunswick, UPM has closed in Miramichi. They've also closed the Smurfit-Stone and AbitibiBowater plants. With these forest resources, why wouldn't we create cooperatives so that that comes back to the workers? That's what happened in Sault Ste. Marie in the case of Algoma Steel. Today that business is so prosperous that the company would like to buy it back. We can create employment and promote economic development.

As regards people who have completed grade 8, I want to point out that the program wasn't abolished. In New Brunswick, for example, we started with \$68 million a year, and that amount reached \$78 million, then \$100 million. The problem is that we didn't expect there would be so many clients. The funding allocated to that program was limited. People were encouraged to take part in a training program, but the door was closed. The door was closed to young people. These people are forcing 60-year-olds to go to school. I don't have any objection to that, but the fact remains that young 30-year-olds and 45-year-olds were not entitled to the program because they hadn't finished grade 8. They were told they didn't meet the program requirements. I think we're losing resources by acting this way.

In the plants and in the forest industry, youths could go to school—and that worked back home—and decide at some point to pick up a power saw and go to work in the woods. No diploma is necessary to do that kind of activity. Those young people took advantage of a considerable literacy rate. That was also the case with the fish plant. I propose that greater investment be made in training, but that doesn't concern my bill. I have others. As I told you, I have 10 bills. We should at least try to pass this one, which concerns eligibility and ensure that the amounts received are acceptable.

As regards the independent fund, I think we've already talked about it enough. I think it should be withdrawn from the government's Consolidated Revenue Fund. Mr. Lessard talked about the 28 recommendations that were made. The record shows that the Conservatives suggested at the time that the \$54 billion be returned to the fund. Eight recommendations that they supported stated that the \$54 billion did not belong to the government and that it should be returned to the fund. Now they're talking about returning \$2 billion.

I hope that the employment insurance system is improved in future so that it is adequate for the people who contribute to it and so they can benefit from it. In the fishing industry in 1982, people worked as many as 35 weeks a year. Go and check it. Those people worked seven days a week. In the fish plants, the women started working at 8:00 a.m. and finished at 2:00 a.m., seven days a week. People worked like that as long as the fish came in. Fish is perishable, but it never rotted on the docks. People did what there was to do in terms of production, but the industry collapsed.

We can improve the situation by offering training, but not by reducing employment insurance. People phone my office every day to say they would like to enrol in a community college program. They say they want to raise their education level, learn more and contribute to society like everyone else.

•(0945)

They say they want to work and get training. In spite of that, the government offers training to people 60 or 63 years of age, with all due respect to them, and refuses to offer it to others, on the pretext that they haven't completed grade 8. I think another study should be conducted precisely on that subject, so as to improve payroll and help people who need to work.

[English]

**The Chair:** Thank you. We're going to move now to our last questioner of this round.

Mr. Lake, seven minutes, please.

**Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC):** Monsieur Godin, I'm curious. I think you said you believe this bill would cost \$300 million. It seems you haven't got a lot of research on the costing of it. I know the department says \$1.5 billion. There's a big difference between \$300 million and \$1.5 billion.

You would think this would be part of the process of coming forward with a bill like this, that studying what it would cost would be the first thing you would do. Why haven't you done that?

**Mr. Yvon Godin:** First of all, I didn't do it because when the bill was put in, some costs were already done, and I don't believe those numbers are correct. When we look at the 360 hours and we look at the best 12 weeks, I don't really think they go to \$1.5 billion, but let's say we pass this and it's \$1.5 billion.

We still have a surplus of \$2 billion. The reason it will cost that is that the government has cut it to that point. The government is the one that cut employment insurance and now says it will cost a lot to bring it up.

Do you know the human and social costs it creates? Does the government ever evaluate what it does in the field, what it does in a region where suicide is up because people cannot feed their families? The kids go to school...when the employment insurance cuts happened, the schools said the number of people going to school with nothing in their lunch boxes went up 25%. Would you ever care about the human costs?



**Mr. Mike Lake:** Mr. Godin, I often say we're often trying to accomplish the same types of things. I'm concerned about human costs as well, but I think this is an example of where there could be some very serious unintended and very negative consequences to a bill like this.

I refer to a report on poverty, *Reducing Poverty* by John Richards of the C.D. Howe Institute. One of the points he makes is this: "The impact on employment among those at high risk of incurring poverty should always be a criterion for assessing proposed policy reforms, and policies that embody powerful incentives to enter the labour market usually make sense." At another point in the report he talks specifically about EI and says, "...note that changes in EI eligibility and benefits were among the shifting incentives that contributed to the rise in the Canadian employment rate and consequent decline in aggregate Canadian poverty rate."

So he is talking about the very changes that you are talking so negatively about. He is talking about their having led to a decline in our aggregate poverty rate and an increase in employment.

What kind of research have you done that leads you to believe that your changes will increase employment and reduce poverty in this country?

• (0950)

**Mr. Yvon Godin:** I'm not a researcher, but I can tell you the person who wrote that report is totally wrong. He's not living the real day-to-day of what's happening.

There is a group of people who are just there to look at reports that big business wants to do, big corporations, but not look at what is happening in the field, and I said very clearly that in the field, families are suffering, totally suffering. People are not lazy in this country, and I don't believe the change in EI made that difference. What it did was make people poorer; that's what it did. The person at the institute who wrote that enjoys good pay, but I bet after he loses his job we'll know what he is going to be talking about.

**Mr. Mike Lake:** Mr. Godin, given the high levels of access among premium payers, is there evidence that a drastic decrease in entrance requirements would help a significant number of people? What evidence do you have of that?

**Mr. Yvon Godin:** I'm sorry. Could you repeat that?

**Mr. Mike Lake:** Given the high levels of access among premium payers, what evidence do you have that a drastic decrease in entrance requirements would help a significant number of people? Evidence.

**Mr. Yvon Godin:** I don't think there's a high level of entry. I don't know if you have any evidence on that, but the evidence we have is that only 32% of women and 38% of men who pay into it get it.

When we did a study on the previous bill, Human Resources had a hard time answering the question, until we said we wanted the answer. The answer was that it's only 32% of the women paying into it who qualify for employment insurance, and only 38% of men are getting employment insurance. This means that many part-time women and people going to university or to schools pay into the system knowing they do not qualify for employment insurance.

One issue that has never been talked about is how many people working for their relatives—their brothers or sisters—have never

applied to the employment insurance, but when they apply 10 years down the road, they say, "Well, because you are related to your brother, we cannot give you employment insurance." They will pay the difference of what they have paid in premiums to that person, but the ones who are working for their families will never qualify.

When I raised the question to Human Resources, they said it's not up to us; they have the right to go to Revenue Canada and ask whether they will have employment insurance if they are laid off. How many family businesses do we have in this country with people who will not qualify for EI? It's just going right to the bank, to the government's coffers, and not one word is said.

What study has been made by the Government of Canada? I raise that question.

**Mr. Mike Lake:** Changing the lines of thinking for a second, we know that employers pay 1.4 times what workers pay into the system. I'm wondering what the impact of the bill would be on employers who are experiencing labour shortages. I'm wondering who you've consulted in terms of the employers.

**Mr. Yvon Godin:** Let's not forget that I've been here since 1997. We've had discussions left and right, left and right. At no time did I ever see any employer at a rally saying they are paying too much EI.

**Mr. Mike Lake:** So you've never spoken with an employer who's paying into EI, then. I think virtually any employer you talk to—

**Mr. Yvon Godin:** Are you listening to what I said? I said at no time has an employer ever been at a street rally saying they have paid too much employment insurance.

I have heard some employers at committees telling us they would like to pay the same thing as the employees pay.

If we go to the history, the reason the 1.4 was put there is that the employer has a certain responsibility to keep their employees employed. They're the ones making the money. They say they will participate because they care about workers, and they will pay a bit more to make sure that if they cannot give them jobs they will help their families put some food on the table. Good employers don't mind paying the 1.4, because they know they're helping the person.

That's why we raised the question, that if we bring it down to one person—the employer—would that create more jobs? Well, it's not because the employer says, "Well, now that I make more money because they cut my EI premiums, I will hire two more people." He will only hire people if he needs them in his business. He will run to the bank with a big smile and say he made more profit.

● (0955)

**Mr. Mike Lake:** Did you talk to any employers?

**Mr. Yvon Godin:** Yes, I did—many times.

**The Chair:** We're going to move to our second round, which will be five minutes.

I have, Mr. Savage, sir.

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

Mr. Godin, thank you for the work you've done on this.

In your speech on this bill in March, at one point you said, “The government says that workers are dependent upon employment insurance. That is not true. The government is dependent on employment insurance because it balances its budget...”. There's certainly truth to that. I also think the government is dependent upon employment insurance because seasonal industries simply couldn't exist if we didn't have employment insurance; it is part of that process.

I think we're at a point in time, regardless of what's happened.... At one point employment insurance was in deficit and then it was in surplus. We've racked up billions of dollars more in premiums every year than we have paid out. In the last 10 years, premiums have actually gone down, but so has the workers' payout. So in my view, we have to do something to rebalance that; we have to invest in Canadian working men and women. So the question is, how do we do it?

You have some good suggestions here, but if you look at what we can do for employment insurance, and you look at Bill C-269 from Madame Deschamps of the Bloc, and Bill C-278 from Mr. Mark Eyking of Sydney, there are a number of things we can do. The question is, what should we do with employment insurance?

The committee that you and Mr. Cuzner sat on had some ideas. We could get rid of the two-week waiting period. That would make sense. We could get rid of the five-week black hole at the end. That would make sense. We could increase the rate of weekly benefits from 55% to 60%, as is part of Bill C-269. The cost of that, given to us at the time, was \$1.2 billion. That's a lot of money. The arm's-length problem of people working for relatives, we could fix. We could be more generous with maximum insurable earnings. We probably should be doing something about part-time workers, self-employed workers, and creators and artists, who aren't eligible for EI, who are part of that large group of people who just don't have access to EI. I like Mark Eyking's bill very much, which would increase the sickness benefits from 15 weeks to 50 weeks—and that was well defended at this committee.

As for the regional rates of employment you're proposing we take out of this bill, we were told when we did Madame Deschamps' bill that the cost would be about \$400 billion or \$390 billion to go to 360 hours. We could do the best 12 weeks. We now have a situation as well where a province like Ontario, which has been a net payer into the system as opposed to payer out, is now saying, wait a second, our workers are discriminated against because we don't have the same access to EI as a lot of other people.

So it seems to me that we have to do something. But I want to get your opinion.

In the budget, the government spoke about this new crown corporation, and all they referred to were the people paying the premiums, that Canadians were growing tired of paying premiums and that they had to ensure that premiums would be no higher than required. It's all about the employers in this book—and there is a balance, recognizing that we will not be giving up our right, as parliamentarians, to set the rates. Clearly if we go in the direction of a crown corporation, we could end up in a situation that could be hurtful to workers.

This is a long preamble. I usually don't talk as much as you do, or as fast, but I want to ask you, of all these things, what would you say are the priorities? Are they the ones that are in your bill? And I would understand it if they are, but of all these things, what would be the two or three that you would most want to fix the employment insurance system and make sure workers get a fair deal?

**Mr. Yvon Godin:** As I said previously, I had a bill that looked at the whole problem when I did my tour across the country. My friend Mr. Lake asked if I spoke to the employers. I went across the country. I went to 22 municipalities and 53 public meetings announced in advance. So I went across the country, as you will see in my book.

The two-week waiting period is something that the workers asked about: why should I be punished, and why should my family be punished, for two weeks when I didn't quit my job, I got laid off? So at the end of the day, you have to look at where you put the priority. If you don't quality at all, you have to ask what the two weeks means.

The first one I used for the bill, which came from section 10 of the act, was, I felt, a priority. If only 32% of women are qualifying for EI and only 38% of the men are qualifying—and as I keep saying, they are paying into it—the priority should be to resolve that first. If we use the amount that the government has used, \$1.2 billion or \$1.4 billion, it's not much, in a program of \$15 billion, to resolve it. If that's what resolves the problem, it's not much.

I have to comment here that in this budget they talk about the premiums only. I'm not surprised; when the Conservatives were the opposition, the only thing they talked about was the premiums. They were more interested in big business not paying any premiums than about working people. At no time did I ever hear how we could fix this to help the working person except, “Well, if we're too generous, they won't want to go to work.”

This is bull. This is not true. People are not lazy. People want to work. People work hard. And they're not the ones who decide if they're going to work or not, it's the employer. As a matter of fact, when the employer gives him a call saying, "Look, the job is starting next Monday, so now you can come back to work", and he says no, and won't go to work, then his employment insurance is cut right away. The safety net is there for that.

This one here is to make sure we have a program that belongs to the worker and to business, and not to the government. In the one about the premium, the danger is that a crown corporation, when the premium is being set, will continue with the wish they have to bring the premium down; the premium will continue to go down; and then we will say, "Now we're not going to have employment insurance anymore because we don't have any money to pay into it."

The money that's paid by the workers is money that they don't mind paying. In a previous study that we did, workers said they didn't mind paying premiums if they were allowed to get their employment insurance.

● (1000)

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

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

**Mrs. Lynne Yelich (Blackstrap, CPC):** Thank you.

You say you believe it is important to create jobs and you don't want to see these older workers moving. What about some of the programs that have been introduced, for example, the targeted initiative for older workers? You haven't told us if you've seen how those programs are working. Of course they're new. Many programs have been introduced that are trying to get people back into the workforce because of our skills and labour shortage.

There has even been money put toward literacy—Ms. Savoie brought up literacy. There has been money through the workplace skills initiative. So moneys like that are going directly to help those who don't qualify for employment insurance—plus the labour market agreements.

If we decided to take this program, which will cost about \$1 billion—and as Mr. Savage said, there are very many other programs that are looking to employment insurance to be the solution for the problems of some of the unemployed—we would probably have to let some of those programs go. You haven't examined that yet to see if it would be a good thing to do. Do you know what the impact of this bill will be? Have you seen how some of the programs we have delivered are working?

As you said, you've been around for 20 years and you've been with this bill for seven. Perhaps you should go back to the drawing board and see what has been implemented. Maybe some of its benefits or requirements have to be modernized. But I think employment insurance is trying to work with the employees and employers of the day. To say that it's all about big business, many small businesses also sat at that table and said that any increases in premiums would hurt them. They aren't all big companies. So I'm just wondering how much detail was put into the impact.

There are many ways we could be addressing the people you've identified. In Saskatchewan, when the economy is booming and the

jobs are increasing significantly we put more women and aboriginal people to work. So any time you can create a good and healthy economy...and that's what we are trying to do.

I think the government is trying to concentrate more on training, skills, and having a well-educated and flexible workforce. We can't do that if we just pay people to stay home. There should be initiatives for businesses to do retraining. There are so many businesses now going into high tech. I was in a welding shop not long ago and they were using a computer. So people who weld can make a transition.

I'm not sure if you can come into a new timeline. Perhaps it's time to look at what the government has been doing and see the successes. I don't think your province would like to see the labour market agreement cut. I'm sure they're putting a lot of their people to work with that, because those are people who can't qualify for employment insurance.

● (1005)

**Mr. Yvon Godin:** With all respect, I don't know if you were listening to what I was saying, because you said I have not talked about the labour market, about training programs, and all of that. Right from the beginning I've said that the labour market has done part of their job, but there's not enough money. I talked about the labour market and the training.

I said there were some programs there, and it was too bad that the demand was so high for literacy. I did not say there was no money for literacy; I said they cut back on the numbers in grade 8 and grade 9 who could get into the program. They want to have the program; they want to be able to learn. I have never said I wanted the labour market training program to be scrapped. I said it should get better.

**Mrs. Lynne Yelich:** In this budget that you're going to vote against, the target initiatives for older workers was increased. The spending was \$90 million.

**Mr. Yvon Godin:** On the budget I'm going to vote against, the government had a mini-budget not too long ago giving a \$14 billion tax cut to big businesses that make money. But when we look at the working people, the only thing you have to say this morning is that we're not going to pay people to stay home and not work. You just don't understand the labour market. When a person loses their job, they have a family. They were paying for insurance so they would be paid, and in the meantime they are looking for a job.

If we go through the economic development...the people of Canada are not lazy. They will go to work, and we have to provide them with access to work, instead of just saying people want to be paid to be at home and not working.

**Mrs. Lynne Yelich:** Maybe *you're* saying that. I am—

**Mr. Yvon Godin:** I think it's an insult to all working people of this country that you think they want to be at home and not working.

**Mrs. Lynne Yelich:** *You are saying that. You are saying that by your—*

**Mr. Yvon Godin:** No, *you* said it, when you said we're not going to pay people to be at home and not working.

**The Chair:** That's all the time we have for this round.

Thank you, Ms. Yelich, and thank you, Mr. Godin.

We're going to move to Mr. Lessard. You have five minutes, sir.

[*Translation*]

**Mr. Yves Lessard:** Our Conservative friends are very much concerned with cost. Cost is a concern for us as well, but it must be considered as it is. For every dollar that an employee pays into the Employment Insurance Fund, an employer pays \$1.40. I remember that the employee's employment insurance contribution in the 1990s was \$3.20. So the employer's contribution was \$4.30 or \$4.35 per \$100.

Mr. Godin is entirely right in saying that employers aren't complaining about the cost of employment insurance contributions because they pay 50% less today. They would like to pay the same amount as employees. According to the rationale adopted and the regulations, it's not employees who decide to leave their jobs. If they decide to leave their jobs, they can't receive employment insurance. Employers are responsible for layoffs. They must therefore plan the work accordingly. That's what explains the 40% difference between employer and employee contributions.

That being established, are revenues sufficient to pay for the improvements made to the employment insurance system? Yes. There are two revenue sources. First, there are the contributions as such, which generate surpluses every year. Two successive governments have tried to cut contributions enough to offload their responsibility for improving the system and to justify the system as it was, given the fact that they did not have enough revenue. That's not what employers or employees want. Employers have come and told the committee that, when they have to lay off employees, they would like those employees and their families not to starve. Employers aren't heartless.

I remember that, in the Gaspé Peninsula, for example, it was employers who rose up against the decision by Ms. Robillard, at the time, not to make sufficient improvements to the system. We could cite further examples of this kind. So there is this source which generates surpluses. The fund has revenues of \$15 to \$16 billion a year.

The accumulated surpluses are the second source of income. Remember that our committee unanimously recommended that the money that must be considered as having been borrowed be returned to the fund at a rate of \$1.5 billion a year. We say that it's been diverted. It has definitely been diverted until it's been decided that it has been borrowed. Since \$46 billion had been diverted at the time, we said that, at the rate of \$1.5 billion a year, it would take 32 years to return the money to an independent fund. In the same way as the government borrows in the financial markets, we'll consider that amount as a loan from the fund. Returning that amount to the fund will provide sufficient funds not only to fund the two measures introduced, but also the measure concerning the benefit rate of 60%

of an employee's income. You can adopt these two measures at the same time only by returning that money to the fund.

I wanted to clarify this point before asking my question. My colleague Mr. Godin said that he was concerned about what's coming. Am I to understand that you're abandoning the idea of returning the \$54 billion that was diverted to the Employment Insurance Fund?

•(1010)

**Mr. Yvon Godin:** Absolutely not. If I remember correctly, the Leader of the Government in the House of Commons, Mr. Peter Van Loan, told us that there had been a diversion of funds and that they had been placed in the Consolidated Revenue Fund. You can check the blues. The government clearly said at the time that the \$52 billion had to be returned to the fund. So there is money. There's no reason to be ashamed. It's not the government's money; it's the money of companies and employees.

In addition, employers were asked whether they were complaining about the fact that employees could receive employment insurance. The best example occurred two years ago. There was a protest at Forestville that I was invited to attend. All the Forestville merchants closed their businesses and walked through the streets with the workers, from the church to the arena. The merchants said they wanted their employees to be able to access the employment insurance program in the event they lost their jobs. They're the ones who pay. They were very vocal about that.

Let's look at the protest in New Richmond. At the time, in the Gaspé Peninsula, at the stroke of noon, when the protest started, all the church bells on the Peninsula rang at the same time. The parish priest said that it wasn't a political issue, but rather a human issue. People were suffering. I never hear the government talking about that. I'd at least like to know the government's impressions of the matter. It says it's working on the labour market and economic development. What's been done for the people who lose their jobs? I never heard the government's response. I think workers would like to hear the government announce that it's going to lower contributions so that companies pay more money. What do we do about employees who have lost their jobs? Mothers and fathers come home on Friday night saying they won't be going to work on Monday morning. They won't have any pay the following week. What do we do about them? That's the question I'm asking.

•(1015)

[*English*]

**The Chair:** Thank you, Mr. Godin, and thank you, Mr. Lessard.

We have two questioners left—Mr. Cuzner, followed by Mr. Brown, for five minutes each—and then we'll be completed.

Mr. Cuzner, five minutes, sir.

**Mr. Rodger Cuzner:** Mr. Chairman, since coming to Ottawa... and I know that regardless of the political stripe or the party, the responsibility of an elected official is to bring the experience on behalf of their constituents to Ottawa and hopefully get a fair deal from the centre. Certainly, in representing similar communities—coastal, rural communities—it's always been a challenge to bring that experience to the centre and make the case in point.

For example, I know we had some success in some training of older workers from the fishery. The nature of the fishery is that there's an immense amount of work for a short period of time, and you need the bodies on hand to get this done, whether it's crab or finfish you're processing, or whatever it might be. You need the people for long hours in difficult situations for a short period of time.

We put a call centre in one of these communities and we couldn't get people. We were looking at filling probably 100 seats, and we got 50 seats filled. The last 50 seats were very difficult to fill because some of the women from that community had to travel half an hour to get to their work. Their husbands would be working in another section of the area, and there's no mass transit in some of these rural communities. I know you're laughing at the half-hour travel, guys, but when you can't access public.... You see, that's where you have to make the point. There's no public transit in these rural communities, and that's where the problem is. There's no day care. They can't just leave the kids at home watching Jerry Springer—

**Some hon. members:** Oh, oh!

**Mr. Rodger Cuzner:** There are these other social infrastructures that aren't accessible in rural communities, and that's a difficult one. So I'm trying to share that message about all the challenges faced by the workers who work in these seasonal industries.

I want your comments on something that's come to light in the last couple of weeks: EI within the fishery as it applies to the NAFTA agreements. The ability of those in the fishery to receive EI may be at risk right now through NAFTA negotiations.

Monsieur Godin, I'd like it if you could enlighten the committee as to what impact that would have on the fishers in your community.

**Mr. Yvon Godin:** Yes, and I just want to touch on this a little bit. I think this is what people don't understand, that when you're talking about getting on the bus for \$2 or \$3 to go to work and come back home, there's a difference when you're living in a rural area. You have to get in a car. You have to buy the second car, pay for the insurance, pay for the gas—at the price of gas today—to get to work, for minimum wage. Because many of those jobs at those call centres.... We have those call centres in Bathurst, at eight bucks an hour. Anybody who goes to work there needs a car because we live in a rural area.

I don't want to lose much time on it, but I think you understand. If you go around and check what's happening in the field, that's what's happening. And that's why people say, "If I go to work, does it make sense that it costs me money to go to work instead of making money?" That's the difference. People go to work and say that at the end of the day it costs them more money to go to work than they make. That's where the problem is.

The other one is about the fishery. The message that this country has to send to other countries is that we will not sell out our sovereignty. It could come to the point.... They're talking about the fishery now. What will be next? If they say that it's a subsidy to the fishermen, that means they'll say business has EI and that's a subsidy too, so then we'll have to cut EI all across, on every job. If they open that door....

That's why we said NAFTA has to be reopened and renegotiated. It's the same thing with the WTO. We have to stand up for Canada.

We have to stand up for our people, and if that's what free trade is all about, to big business...and I say that again, that the WTO is all big business saying that's the way they want it, if you want to do business with their country. As a sovereign country we have to say no, that's where the buck stops—because it's not a subsidy; it's a payment for wages that you're losing because you're not working, and there's a difference between that and a subsidy. It's not a subsidy.

With EI, what Canada has to say in Geneva is that it's off the table. This is an insurance that people pay into for when they lose their jobs, and it's off the table. If they start to talk about EI, I think they'll be skating on very thin ice.

• (1020)

**The Chair:** Thank you.

We're going to now move to the last question today.

Mr. Brown, we're going to start off with you, sir.

**Mr. Yvon Godin:** That was a very short hour, Mr. Chair.

**The Chair:** Yes, we're just slightly over the hour.

**Mr. Gord Brown (Leeds—Grenville, CPC):** I think he got quite a bit more than that, but thank you very much, Mr. Chairman.

I'm delighted to make my maiden intervention here at this committee. It's interesting, with this bill here and what Mr. Godin's presenting to us. I happen to be part owner of a business in the lodging, food service, and attractions business in a seasonal area, so I understand this concept very well. But I was a little concerned about two comments from Mr. Godin.

Number one is when he talked about tax cuts being only for large corporations. I can tell you from my experience in our business—it's a family business as well, and it's been around for a long time—that when money becomes available, it gets reinvested into the company. I can tell you that in our case we continue to invest in our company, and it creates jobs every time we invest more money. So those tax cuts are not just for large corporations; they're for small companies that take people off the EI rolls.

Also, I was a little concerned about his comment about small business owners not being out in the street protesting the EI premiums they have to pay. I can tell you once again that money.... And I'll give some credit to the former government and our government, which has continued to cut those premiums so that there are more dollars left in a company. It's not just fat cats making big profits who are putting it in their pockets. Many of these companies are reinvesting.

Maybe you could address those two comments that I made, but I'm also interested...and this will be to my question. The fact is that in our area we do have to lay some people off because of the seasonality of our operation—much of it still operates on a year-round basis—but I know for a fact that some of those people who work for us actually do wish to not work in the winter. What many of them, if we have to lay them off, would be more interested in doing is getting training to be able to do a better job and be more employable.

There are also things going on in the economic development side, so those are government dollars going in that are helping to make the season a little longer.

So here is my question. Does the member think that pushing this forward might be a disincentive to work and that maybe more money should go into economic development and training, rather than into keeping people on the EI rolls?

**Mr. Yvon Godin:** Some of the employers we've heard from are businesses. They didn't realize that if you just turn around and you take a community.... I'm talking about a community working at seasonal work. There's nothing you can do about it.

Baie des Chaleurs, like it or not, freezes, and you don't catch lobster underneath the ice. They found out that when the people were laid off and not getting their employment insurance, they couldn't buy the cars that the businesses were selling. Car sales went right down. Business when right down.

On Friday, when the guy received his pay on Wednesday.... On Wednesday, do you know who was getting it? It was all the business people, the banks and the business people. But they noticed that when the change in employment insurance happens without a change in economic development, instead of putting more people to work, the target becomes the businesses. They said, "Hey, they don't come to my store anymore. They just get what their needs are." They needed some food. So that's what happened.

The Chamber of Commerce said, "Did you talk to the businesses?" We invited the Chamber of Commerce of P.E.I., and they disagree with the big Chamber of Commerce of Canada here in Ottawa. They said no, they're not seeing the reality of seasonal work that they have.

I don't know what type of business you have. I'm not going to challenge the type of business you have, but I've never seen a person getting well paid who wanted to be on EI in the winter and listening to the television and Oprah. People want to work. I have more trust in Canadians than that.

• (1025)

**Mr. Gord Brown:** Okay. Monsieur Godin, when I left the Thousand Islands yesterday morning, the river was pretty rock-solid frozen. There were no boat cruises going, so many visitors weren't visiting at this time of year.

**Mr. Yvon Godin:** Then you know what I'm talking about.

**Mr. Gord Brown:** But there are ways to get the economy a little more diversified, and I can tell you some of the efforts that are going on currently through economic development programs with the government that are helping that situation. So I'd rather see that money going in than making it easier—

**Mr. Yvon Godin:** Yes, but the tourist business you're talking about, that tourist business took a person and trained him and trained him and trained him, and then because the channel froze, another business took the employee and brought him or her along. Thereafter, they have to retrain again. Go and talk to those people about how happy they are that other businesses come and take their employees. You have to talk to everybody.

**Mr. Gord Brown:** Okay. Thank you.

**The Chair:** Okay, that's all the time we have.

Monsieur Godin, thank you very much for being here.

**Mr. Yvon Godin:** I appreciate the meeting we had here this morning. There are going to be some for and some against, but at the end of the day, I'm looking at the working people, the men and women, the families and the kids. It's a program that they're paying into themselves; it's not a government program. That's why I am concerned. It's a business and employee program where they pay to help the family survive when they're looking for a job, until the government or businesses have good economic development to give jobs to people.

I trust Canadian men and women.

[*Translation*]

I trust them; they're good people. I think they have to be given credit for that. It will ultimately be up to the government to decide whether or not it supports the bill.

Thank you.

[*English*]

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

Go ahead, Mike.

**Mr. Michael Savage:** My understanding is that on Thursday we're going to hear from some witnesses on this bill. Mr. Lake mentioned a number of \$1.5 billion that he said was a departmental estimate of the cost of this.

Is that something that's going to be shared with us? Is there any analysts' costing, departmental costing, or anything that we're going to have a look at on this?

**The Chair:** The department officials are going to make themselves available when we go to clause-by-clause. So I would suggest that at that point in time, if you want, we can have them for a couple of questions before we go to clause-by-clause, by all means. That will happen on Tuesday.

**Mr. Michael Savage:** They're not coming on Thursday?

**The Chair:** They're not coming on Thursday.

We have three witnesses confirmed, and one more, and we'll just go with the four witnesses for the two hours.

**Mrs. Lynne Yelich:** I understand those statistics were done with today's stats, because they said, apparently, if things change—

**The Chair:** Do you want to see that information, Mike? Is that what you were going to ask?

**Mr. Michael Savage:** I'd like to see it, because when we did Bill C-269, the cost of reducing the regional rates—which is the biggest piece of this, I think—was \$390 million. So I need to see how they get to \$1.5 billion as an estimated cost.

**The Chair:** Okay. We'll see if we can get that information provided.

**Mr. Michael Savage:** Thank you.

**The Chair:** Are there any other questions for Mr. Godin before he goes?

Thank you, sir. I appreciate the time.

We're going to take a second to go in camera to maybe finish up Denise's recommendations, and that's all the business we have for today.

*[Proceedings continue in camera]*

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