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

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**EVIDENCE**

**Tuesday, April 1, 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, April 1, 2008

•(0905)

[English]

**The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)):** I call the meeting to order. I'd like to welcome everyone back.

Pursuant to the order of reference of Tuesday, October 16, 2007, we are continuing with Bill C-265, An Act to amend the Employment Insurance Act.

A couple of weeks ago we started with the numbers and then we deferred. It's like *Groundhog Day*; we're starting all over again.

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Can we discuss the schedule, since we're back? We had talked of possibly having a subcommittee meeting later as part of this. Do you have a sense of when that might happen? I see Tony is here; he's probably going to be leaving shortly.

**The Chair:** Nothing is planned for Thursday. My suggestion was that we meet Thursday to adopt a work plan for the poverty study. We have your motion to look at later on, Mike, if you still want to bring that forward. I was thinking that as a committee we come up with a work plan on Thursday. That was my thought for poverty, as we move forward. All we're going to do is have a subcommittee meeting, and we could do that. We could meet Wednesday and talk on Thursday. But as a group we all decide anyway. So I'm open to suggestions.

**Mr. Michael Savage:** My suggestion would be to have a subcommittee meeting, maybe on Wednesday—it wouldn't have to be very long—and then bring it back for discussion on Thursday. That would work for me. I don't know about other people.

**The Chair:** Is that okay? We'll get that figured out. Thanks.

I want to welcome back department officials, Ms. McLean and Mr. James. Thanks again for being back today.

Let's get right into it. I know people have had a chance to look at the numbers. Now we're going to start our clause-by-clause consideration.

Are there any other points of discussion before we get started?

Go ahead, Monsieur Godin.

[Translation]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Thank you.

When we say \$320 million for the best 12 weeks compared to 14 weeks, we are not talking about the difference between the two, 12 weeks and 14 weeks, we are talking about the cost of the whole program, are we not?

[English]

**Mr. Bill James (Director General, Employment Insurance Policy, Skills and Employment Branch, Department of Human Resources and Social Development):** Yes, that's correct. It's important to distinguish that the cost of the pilot project for the best 14 weeks that I've provided was the cost estimate when the pilot was introduced. We don't have the final numbers for that yet. But the cost estimate that has been provided for the best 12 weeks, because it involves different regions and a different number of weeks, has been costed separately. To clarify, those are separately costed; they're not added or subtracted.

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

**The Chair:** If there are no other points of clarification at this point, we'll continue with clause-by-clause consideration.

(Clauses 1 and 2 agreed to)

(On clause 3)

•(0910)

**The Chair:** We have an amendment to clause 3. I will read the amendment and then Mr. Savage can move it. It is moved that Bill C-265 in clause 3 be amended by replacing lines 1 to 8 on page 2 with the following:

3.(1) The table to subsection 7(2) of the Act is replaced by the following:

And it has the chart for the regional rate of unemployment as well as the required number of hours of insurable employment in the qualifying period.

Are there any comments on that?

Go ahead, Mr. Godin.

[*Translation*]

**Mr. Yvon Godin:** Mr. Chair, I am telling my colleagues that I will not be able to support this amendment. We must recall that, in the 1996 reform, major cuts were made to employment insurance. At that time, to be eligible for EI, you needed 150 hours at 15 hours per week. The real victim of the sweeping changes made in 1996 by the Liberal government of the time was seasonal industry. Not only were the workers in that industry ineligible, but the industry also lost many people who could no longer work in areas like fishing, forestry or tourism.

In tourism, for example, the situation in my province is not like in Toronto or Vancouver where there are tourists year-round. In New Brunswick, the tourist season starts when school is out in the middle of June and ends after National Acadian Day on August 15. According to Statistics Canada data, only 32% of women who contribute to employment insurance are eligible. One of the reasons is that women often work 20 hours per week. So they can never reach the 910 hours that are required, not even 840 hours.

On a cross-country tour, I remember the case of a woman in Vancouver who fell ill after three years in the workforce. She fell into a coma and was hospitalized for 10 days. Afterwards, she did not work for about three months. When she went to claim employment insurance, she had accumulated 698 hours. She needed two more hours to be eligible. Since that time, the government has reduced the requirements from 700 to 600 hours. Even so, even at 600 hours, there are still people who do not qualify.

As to the bill, I appreciate that the department has finally provided the costs for us to study. Even so, there is a surplus of \$57 billion in the employment insurance account. The government now wants to create a Crown corporation in order to legalize the theft of \$57 billion dollars from the employment insurance account. That money belongs to workers, to employers and to businesses. Employment insurance exists in order to help people who run into difficulties when they lose their jobs.

For all those reasons, I will not be able to support the Liberals' amendment. A bill dealing with this issue has already been adopted, a Bloc bill where this understanding was already presented. This bill goes to the heart of employment insurance, that is, whether people qualify or not. We can make all the changes we like to employment insurance, but if people do not qualify, they do not qualify. I often hear western Canadians say that people just have to go out west to work.

• (0915)

[*English*]

Another experience we have involving the workers going to the west to work is that, for example, if a person leaves home to work in Alberta—and there are real examples of this—and has an accident on the job, he cannot stay there, because he was working and staying in the camp. He will go back to New Brunswick, for example, and after that, compensation will say, “I’m not going to pay you”, or “I’m going to stop your payment”. It’s pretty hard for him to go back to Alberta to fight this case, because we don’t have ways of dealing with these situations across all the provinces. It’s pretty hard for people, and it doesn’t fit all situations with justice.

It’s not the answer, that all should go and work in Alberta. We want to save our area. We want people to stay in our region and be able to create economic development. If you don’t want reliance on employment insurance, you must work on economic development. Put people to work, and automatically they will be off employment insurance. I say nobody’s lazy in our country. We have very good Canadians all across the country.

I grabbed the flight on Monday morning, for example. I think there were probably only six of us on the plane flying on business. The other 30 people on the plane were all going to Alberta to work, and that’s every day. They go for twenty days in, eight days out. People are going to work in Alberta, but we can’t force everybody to go there. We don’t want to move the Atlantic to Alberta.

At the same time, as a country we have to support each other to be able to create this atmosphere of job creation, of economic development and good jobs—not just minimum-wage jobs—where people feel good: they can go to work in the morning and feel very proud of what they have done and can feed their families and be happy. That’s what Canada is all about.

This has hurt working people, and that’s why I say I cannot support this. I think if we don’t go this way, it’s a deportation of the Atlantic to other places in the country, and it is just not acceptable.

And it’s not only the Atlantic. If you go to northern Ontario... I went to Hearst, I went to Kapuskasing, I went to Timmins. They have the same problems there too when they lose their jobs, with some of the seasonal work when the mills close down and those types of jobs, or in tourism.

Thank you.

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

We’re taking a list here. I have Mr. Lessard, Mr. Savage, and Mr. Lake.

I just want to read this into the record so that people are aware.

As all members are aware, the Speaker was called upon to render a decision as to whether certain provisions of Bill C-265 would infringe on the financial initiative of the crown and consequently require a royal recommendation.

In his ruling on March 23, 2007, Speaker Milliken stated:

I have examined the bill carefully and find that the changes to the employment insurance program envisioned by this bill include lowering the threshold for becoming a major attachment claimant to 360 hours, setting benefits payable to 55% of the average weekly insurable earnings during the highest paid 12 weeks of the 12 month period preceding the interruption of earnings, and removing the distinctions made to the qualifying period on the basis of the regional unemployment rate.

It is abundantly clear to the Chair that such changes to the employment insurance program, notwithstanding the fact that workers and employers contribute to it, would have the effect of authorizing increased expenditures from the consolidated revenue fund in a manner and for purposes not currently authorized.

We have a proposed amendment before us that does not remove the requirement for the royal recommendation. The final decision, however, will rest with the Speaker of the House, so for the purposes of our meeting today, the amendment is admissible and will be put to the decision of the committee after debate.

I just wanted to get on the record again that we are talking about the amendment. It does not remove the royal recommendation, but we are going to discuss it and we will continue to move forward on that process today.

I will continue with the list. I have Mr. Lessard, Mr. Savage, and Mr. Lake.

Mr. Lessard, sir.

[*Translation*]

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

I feel that one fact has radically changed things since the Speaker's decision on Bill C-269 specifically. At the time when the Speaker made that decision, the account was recognized as part of the CRF. Given the budget proposal and the creation of a separate account administered by a board, it seems to me that it is no longer the Speaker's place to decide whether it is admissible under the government's budget prerogatives. He can make a decision about the rules of procedure, but not about the administration of the CRF, since these amounts will no longer be administered from the CRF. My objective here is to tell you that as soon as the debate on this matter has taken place, that decision will have to be looked at quite differently.

Furthermore, we will not be able to support the amendment put forward by our colleague Mr. Savage. The merit of the amendment is to try to come to some common position before the House. We went through that exercise when we were studying Bill C-269. At that time, we agreed to request a reduction of 70 hours, in a real effort to come to a compromise. We realized that, really, the exercise was not about getting the figures to balance or anything like that, it was about deciding whether we had the will to improve employment insurance and whether, as a system, it required major changes. That is the question, Mr. Chair.

We also ask ourselves if it would not be worthwhile to use this opportunity to do away with regional disparities and inequities, using not a percentage unemployment rate, but rather the specific reality of people who lose their jobs. That reality is the same for mothers or fathers who have lost their jobs whether their region has an unemployment rate of 12% or 7%. They no longer have an income, but they still have the same family obligations every day. That is the situation that I urge our Liberal colleagues to consider. Has the time not finally come to take corrective action? Maybe the action is not major, but it may at least be right.

To date, the arguments that have been made to us have dealt with contributions to the account. The Conservatives have the right, given that it is the ideology they hold dear, to believe that taxes must be cut and fewer support services must be provided to the least fortunate in our society. The same principle applies to the employment insurance account. They want to target the premiums but not the benefits because they are not important; that is the law of the free market. If

someone loses his job, it is no one's fault. The person has to deal with it and find another job. I am not going to get into a debate on that, but, as I am sure you know, there is no escaping the facts. The facts are that these people no longer have an income and they cannot go and work somewhere else because there is no work for them. Those are the facts and there is no changing them. What can be changed, however, is the way we support these people.

With all due respect to our Liberal Party colleagues, I remind them that when the time came to ask the Prime Minister to arrange for royal assent for Bill C-269, they stalled, they did not proceed. That was their right. They have changed their minds, I suppose. I do not know. Whatever the reason, we could not get to that stage. However, I remind them how we really tried to join forces in order to make the Conservatives change their position.

• (0920)

In all sincerity, I understand the Liberals' concern. They tell themselves that if they get back into power one day—and the way the Conservatives are carrying on at the moment days, it could happen—they do not want to be stuck with something that they cannot manage. But they can manage it, Mr. Chair. When people started slashing premiums, they were at \$3.10 or \$3.20, I believe. When we held hearings with our friend Mr. Cuzner, everyone said that a premium of around \$2.20 was manageable. The only sour note on the other side was that employers said that they wanted to contribute the same as employees. That debate is always the same.

At the moment the premium drops below \$1.80, it is not about premiums any more, it is about supporting people who have lost their jobs. We are now discussing one of the ways that will allow us to do away with regional discrimination. That mainly affects women and young people. We know what effect the percentage has from one region to another. Let us do something, Mr. Chair; after all, we are not talking about a large amount of money. We are talking about 320 hours, which means \$200 million. In the worst case, according to the 2004 figures, it would be \$390 million and that would affect 90,000 unemployed people. The money is in the account.

I am going to stop there, Mr. Chair. I am asking our Liberal friends to keep this measure specifically. With it, we can really begin to revive employment insurance.

• (0925)

[*English*]

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

Now we're going to move to Mr. Savage. I still have Mr. Lake on the list as well.

Mr. Savage, sir.

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

This amendment we have put forward brings Mr. Godin's bill, Bill C-265, more in line, on the specific issue of regional rates of employment, with Bill C-269, the Bloc bill, which came about after a lot of discussion among opposition parties and some discussion with labour groups who feel we need to move forward on EI.

For a long time, the Bloc and the NDP have put forward bills on EI that haven't really gone anywhere. There's a recognition that we need to work together, and if there's going to be a change in government, it's going to be the Liberal Party that comes in and improves EI. And I believe we have to.

Throughout these hearings, the short hearings we've had, I've asked witnesses what their priorities are for EI, because there are so many. Every year we have a surplus. It wasn't always the case. There was a point in time, just over a decade ago, when we were spending \$2 billion, I believe, more than was coming in. That's one of the reasons changes were made. Employment insurance has become a very important part of the social infrastructure of Canada. Some people don't like it. I suspect that there are many members on the government side who aren't keen on any changes to EI that would put money back into the families of workers who need it. But we have to prioritize what we're going to do.

There are a lot of ways we can improve EI. Some of the pilot projects have addressed this. We can look at the two-week waiting period and what they call the five-week black hole on the back side of employment insurance. We can reduce qualifying hours or increase benefits. What about Mark Eyking's bill, Bill C-278, which everybody who appeared before this committee said was entirely sensible and reflected the reality of health care at this point in time in Canadian history when people are living after having cancer interventions and after having strokes and heart attacks and need a longer period of time on EI? To me, that should be a priority for the employment insurance system. That's another cost of \$600 million or \$700 million. I can't remember exactly. I think it's a very valid cost.

How do we get to the part-time workers, largely women workers, who don't access EI as much as they should? What about self-employed people who don't have access to EI, and money for training under the program?

There are a lot of things we need to do with the employment insurance system. We believe it's time that some of the annual surplus be utilized to the benefit of workers.

We have a specific concern, though. As you can see, when you reduce to a flat rate of 360 hours, the cost is pretty significant. We propose, as a start, reducing by 70 hours across the board. But keep the regional rates. Mr. Godin and Mr. Lessard quite correctly have a concern about people in high unemployment areas. This is to protect those people. They are the people in the fish plant in Mr. Cuzner's riding or the people in the forestry industry who are out of work and simply don't have access to jobs without moving. And we don't want to force Canadians to move. Many of them will move to where the employment is better. But it's a real concern that if you get rid of the regional rates of unemployment, and cuts have to be made, it'll be those areas that are hurt disproportionately, and we need to be very concerned about that.

We've asked for priorities. We've identified ours. We want to make changes to EI that we think are reflective of the reality of the workplace today, including the fact that this country could be undergoing an economic recession, or certainly a slump in industries like forestry and manufacturing. We need to have that money.

Mr. Lessard mentioned that our leader didn't support Bill C-269. I think he was referring to the royal recommendation and appeal. That wouldn't have done anything, but I would remind him that every Liberal in the House of Commons voted for Bill C-269 at final reading. Every Liberal in the House of Commons voted to send Mr. Godin's bill to this committee so we could give it some prudent oversight.

We think it's time for employment insurance to reflect the fact that workers have not benefited. Employees have had a reduction in benefits over the last ten years, I think by almost half the premium rate. That's good. We want to be fair to both ends, but we haven't done very much for the workers who have been hurt and continue to be hurt as the economy of Canada continues to concern people more and more all the time.

So we support Mr. Godin's bill. But we think this is a prudent and sensible way to go about making changes in EI, keeping in mind that there are many other things we would want to do as a government to make EI more accessible and more reasonable and to enhance the productivity of Canadians, not to detract from it.

These recommendations, in our view, reflect that.

• (0930)

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

We'll go to Mr. Lake.

**Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC):** Thanks, Mr. Chair.

One of the things I want to point out, of course, is that the changes that have been made over the last 12 years to this legislation, to the EI legislation, by the previous Liberal government were some of the few good moves they actually made in their 13 years. Before Paul Martin became a shopaholic and went on a spending spree, these were good moves that they were making. Of course, the EI program was used, as Mr. Godin mentioned, as a slush fund, and there was a significant surplus year after year that was used to fund Liberals' special interests and their pet projects and things like that. Of course, we made some important changes to the legislation to make sure that doesn't happen again, to bring things into balance.

I think the key word, of course, is "balance" here, and thankfully right now we have a government that understands that and takes a look at a big picture instead of individual silos. The system as it stands right now with the changes we've made is a workable system.

I want to just take a look at the numbers. I'm looking at the numbers Mr. James prepared for us here, and the one that jumps out at me is the one where you take the combined Liberal-Bloc-NDP approach to the bill—table 4—that would cost an addition \$2 billion per year if it were implemented. That's per year. That's not a \$1 billion or \$2 billion hit; that's \$2 billion per year more than it would cost otherwise, and of course that's money that is paid into the fund by workers and by employers.

Mr. James, I have a quick question for you. Could you tell me how many workers actually pay into EI across the country?

**Mr. Bill James:** I don't have the exact figures in front of me, but it's approximately 15 million to 16 million workers who pay in every year.

**Mr. Mike Lake:** So by doing some quick math on that, to fund just these changes alone, we'd be looking at probably \$133 per worker per year more than what they would have to pay otherwise. That's pretty significant, and of course Mr. Savage did mention a few other initiatives that the Liberal Party has proposed to add costs to the EI program. So we're looking at basically increasing the contribution by workers significantly. I don't know how many hundreds they would have us increase the numbers by.

The spirit behind some of the changes that have been proposed is good. I would just note that for us as parliamentarians it's important to have priorities and to actually be able to focus on those priorities. If we try to do everything, we're not going to accomplish anything. I think that sums up the Liberal approach. It is trying to do everything at whatever cost and making whatever promises—we've seen this over the last year with their leader—with no real regard for the costs of any of the changes that are being proposed.

Here we see just an ad hoc bill that, with the amendments that have been proposed, is potentially going to cost workers \$133 extra per year, if you average it out over the number of workers. And let's make no mistake that even though the employers pay a significant portion into it, it's the workers who ultimately pay for it. I think that's the approach we have to take when we're looking at this.

So it's \$2 billion if we're looking at the Liberal–Bloc–NDP version of the bill—if they come together on that—and I think that's not sustainable.

● (0935)

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

I have Mr. Cuzner, Ms. Yelich, and then Mr. Godin.

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** Having been back in the riding for two weeks, specifically seeking input on two different occasions from workers' groups, the people in my area continue to support regional rates. Certainly, with no disrespect to Monsieur Lessard and Monsieur Godin, whose opinions on the EI file I value greatly, a caring government tries to help those who need help.

I guess the ultimate goal is to have everybody engaged in the workforce and everybody contributing to the economy of the nation. That's the ultimate goal. I think the country has come quite a way in the last number of years in that regard.

But there still exists the reality that some Canadians do need help at times. There is also the understanding that most Canadians who are doing all right are willing to help contribute to the greater good, to the greater benefit of other Canadians. We see it in our bracketed income tax system, where those who are making more money or are doing better contribute more, to the benefit and greater good of the people.

We can apply the same principle here with the regional rates, so that in rural areas, whether they are coastal or northern or remote, wherever they might be, where it's more difficult to seize those job opportunities, for the benefit of the overall program and the

sustainability of the overall program, the regional rates are still essential.

We had a change, with the unemployment rate continuing to go down—which is a good thing—but when you're on that line and drop below 12.5%, as one area in my constituency did, and the number of hours went up by 40 hours, or something like that, I can tell you that it put an unbelievable amount of stress on an entire community, and I don't just mean a geographical community. A lot of people from this area didn't know where they were going to get the 40 hours in order to make that happen. People would have been forced to leave the community, to leave their kids behind, whatever, to try to make those additional arrangements.

I fully support this amendment, and I would hope the committee would reconsider this, because this will have an impact on those communities that most need it.

**The Chair:** Thanks, Roger.

Ms. Yelich, then Mr. Godin.

**Mrs. Lynne Yelich (Blackstrap, CPC):** I just want to ask Mr. James something, although I'd better have a correction first.

Mr. Savage, did you say it would disproportionately affect low-income or poor people if we didn't pass this amendment of yours? I didn't quite hear that.

● (0940)

**Mr. Michael Savage:** I was referring to the regional rates. It's my view that if you get rid of the regional rates and there are changes forced on the EI system because of the economic circumstances, those in the regions will be hurt disproportionately.

**Mrs. Lynne Yelich:** I'd just like a comment from Mr. James. In your experience, are they—the group Mr. Savage cited—exactly those who would be affected the worst?

**Mr. Bill James:** I wouldn't be able to speak to whether it would impact most negatively on a particular income group. It's certain that when you go to a flat rate, the vast majority of the reduction, if you will, the proportional reduction, is in areas of low unemployment than in areas of high unemployment.

The only income tested aspect of EI is the family supplement, which increases benefit rates to those with children and who have a demonstrated low income. It can increase the replacement rate from 55% to 80%.

**Mrs. Lynne Yelich:** The only other clarification I'd like is on the EI surplus, because we always hear about this surplus. Mr. Godin went on about it today, and I'm not sure why because I think we're changing things so that the surplus no longer continues to build.

There is no surplus sitting out there. Am I correct? There is no \$56 billion sitting there. It's notional.

**Mr. Bill James:** The balance—

**Mrs. Lynne Yelich:** Just as clarification, we can't build policy around something that's in a dream or around some notional fund.

I just want that clarified, so we can quit talking about or referring to this \$56 billion. This is why all these changes have to be made.

**Mr. Bill James:** The accumulated balance in the EI account is in fact an accounting record. It's the difference between the credits and the debits to the account, so it is in fact notional. That means there's not a particular amount of cash equivalent to that sitting in the CRF.

**The Chair:** Thank you, Ms. Yelich.

We're going to move to Mr. Godin.

[*Translation*]

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

I very much appreciate the Parliamentary Secretary's question because she is saying exactly the same as we are. This slush fund has become the government's slush fund. We are about to legalize the theft of \$57 billion. They want to hear no more about it. The Parliamentary Secretary has clearly said that the time has come to stop talking about it. On paper, we have accumulated a surplus of \$57 billion in the employment insurance account, but we are told that they want to hear no more about it. Yet when the Auditor General looked at the figures, she said that it could be put into general revenue but that Canadians must always know how much is in the account. So, we still have the \$57 billion, and, by creating a Crown corporation, we are now legitimizing the theft committed by the Liberals in 1996. That is exactly what they did.

Over the last two weeks, I have spoken with workers in my constituency. Not once did they tell me that they wanted regional rules. They did not even mention them, in fact. But they did say that they wanted to be able to qualify for employment insurance benefits. The only thing I know is that the workers told me that they want 360 hours, and that would affect 40 million workers in Canada.

The Fédération des travailleurs et travailleuses du Québec and The New Brunswick Federation of Labour as well as other federations across the country have taken a stand on this. At all the meetings I have attended, workers' representatives and workers themselves have always said that the number of hours must be reduced so that people can qualify. This slush fund has become the government's slush fund.

With all respect, Mr. Lake, the government tells us that there must be balance. In the budget, we are going to cut taxes for big corporations by \$14 billion, but we are giving \$1 billion to compensate for the shutdown of the forest and manufacturing industries. A billion dollars to try to fix all the economic problems in Canada, especially in the northeast. For example, UPM in Miramichi has closed its doors, as has Smurfit-Stone in Bathurst, AbitibiBowater in Dalhousie et Smurfit-Stone in New Richmond. Those were all good jobs that were lost.

We have been told that we need balance to fix our economic problems. So we are giving \$14 billion to profitable companies like the Alberta oil industry and the banks. The others normally do not benefit from tax cuts when they make no profits. The companies that have benefited the most are the ones in the west. So, when we talk about balancing things, let us not take too much time listening to Mr. Lake. With all respect, I know where he comes from.

You see it as simple: if we can keep the Atlantic provinces in a black hole, the people will all have to move to Alberta. That is how we treat people who work in the forestry and the fishery, people who work hard from morning to night. We are not going to let them to stay at home, they are going to have to move, like it or not, because we want balance. Your idea of balance is to have everyone over near the Pacific so that the world tilts to that side.

The Conservatives say that they do not like social programs. You are opposed to things like that. But one day, it will be up to Canadians to decide your fate. You have not often been elected in Canadian history, and when Canadians wake up, you will not be elected again for a good long time.

Thank you.

• (0945)

[*English*]

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

I now have Ms. Yelich.

**Mrs. Lynne Yelich:** That's exactly what I was trying to say, that it was a slush fund that has been used. That's why we, as a new government, have changed the EI so that no more surpluses are run, and now we want to manage and run a program with integrity, and to encourage jobs and to create employment in the communities.

Also, there are only 30 million people in Canada. I don't know how many people you said were working—about 40 million? I think you made a mistake there, sir.

Anyway, I just think we have to build good and sound policy with the employment insurance program.

**The Chair:** I think we've had enough discussion on this. Why don't we move to the vote on the Liberal amendment?

(Amendment negated)

**The Chair:** We'll now go back to clause 3.

**Mr. Michael Savage:** I have a point of clarification, Chair.

The Liberal amendment would have reduced the cost of this bill by about 40%.

**The Chair:** Correct.

**Mr. Michael Savage:** The government voted against that. I want to make sure that's clear. I'm not sure they understand that.

**The Chair:** Go ahead, Mr. Lake.

**Mr. Mike Lake:** I have a point of clarification. With the Liberal amendment we would be spending \$830 million more per year than the system will cost right now. That's what Mr. Savage wanted to spend, and you can add that to \$64 billion in Liberal promises.

**The Chair:** This is the challenge. We'll let people add onto the list here.

Mr. Godin.



**Mr. Yvon Godin:** For clarification, it's not the government that will spend it. It's for the workers themselves, through the insurance they and their employers pay, when they are in trouble. It's not the government's money. That's what I wish they would realize.

**The Chair:** Mr. Lessard is next. Let's get all the parties in here.

[Translation]

**Mr. Yves Lessard:** I do not have a calculator and I am trying to do the calculation in my head. All the measures I am proposing will cost \$2 billion. In its present form, Mr. Godin's bill costs five and a half billion.

Sixteen million people contributing to one and a half billion dollars; how much will that cost each of them if we include the employer's contribution?

**Ms. France Bonsant (Compton—Stanstead, BQ):** I think it works out at four dollars.

[English]

**Mr. Bill James:** I think the member is asking how the cost of the bill would be translated in premium payers. A good rule of thumb—rather than doing that calculation per capita—is that an increase in cost of \$100 million per year equates to about 1¢ in the premium rate. So as a rough rule of thumb, \$2 billion is equal to a 20¢ increase in the premium rate.

[Translation]

**Ms. France Bonsant:** That is about a beer a year!

[English]

**Mr. Bill James:** The current premium rate is \$1.73 for employees.

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

(Clauses 3 and 4 negatived)

(On clause 5)

● (0950)

**The Chair:** We have an amendment put forward by Mr. Lessard that Bill C-265 in clause 5 be amended by replacing line 27 on page 2 with the following:

to a claimant is 60% of the average of their

On a point of clarification, both of the amendments do not remove the requirement for our recommendation, but we are going to debate them anyway and move forward on that.

Mr. Lessard, do you want to talk to the motion?

[Translation]

**Mr. Yves Lessard:** Mr. Chairman, the figures we received were consistent with those provided by the deputy minister in 2004. That means that this measure would cost \$1.2 billion. At first blush, this may seem costly, but you have to bear in mind that it is a measure that would apply to all EI recipients. You also have to remember that most of these people are low earners: 55% of an often very low salary is really not very much. Can we afford it? The same rationale applies. One cent extra in premiums equates to \$100 million. That gives us an indication of the amount by which premiums would increase.

Could the fund cope with such a measure? Yes, it could. It has never registered less than a two billion dollar surplus over the course of the past few years. There are often three billion dollar surpluses. The surplus has stood at \$3.3 billion for the past two years, and that is at the current premium rate.

Furthermore, let us not forget that members of this committee should continue to fight for the return of the money that was misappropriated from the fund. We certainly will not give up. We are not simply going to pretend that nothing happened. The money was used for other purposes when it ought to have been used to provide benefits for people who had lost their jobs.

My colleague used the word “theft”. It is, at the very least, a serious economic crime, especially from the point of view of those who were directly affected—those who lost their job, their family and their community. It also left the economies of each of our ridings \$30-\$35 million worse off. The EI fund is a powerful regional economic lever. You cannot talk about fighting poverty without studying our social safety net. The EI fund is a key element of our social safety net.

I am not really addressing the Conservatives this morning, as they do not have an anti-poverty policy. I am, however, addressing our Liberal colleagues, because they claim to want to introduce an anti-poverty policy. I would be interested in seeing the details. A credible policy has to pay heed to the need to improve the employment insurance system. I believe my suggestion to be a good idea. The fund can cope with it, especially given that this measure would benefit everybody.

[English]

**The Chair:** Thank you.

I have Mr. Godin and then Mr. Lake.

● (0955)

[Translation]

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

I did not refer to 66% in my bill. As you are perhaps aware, I have tabled a number of bills. When I tabled one with 14 proposed changes, the Liberals nearly hit the roof. They said that I had asked for too much and that, had my proposals been more moderate, they would have supported me.

The conservative approach is straightforward; they do not want to do anything other than reduce premiums. They think that people are abusing the system, that it is just a *slush fund*, and that we simply want to give those who are too lazy to work the opportunity not to do so. That is how the Conservatives approach the issue. Yet the first cut to the rate reduced it from 66% to 50%. The minimum wage in New Brunswick is about \$7.50, which means that somebody who is unemployed receives half of that amount, about \$3.75 an hour. That is less than welfare. I am talking about seasonal workers here, for example those who work in the tourist industry, people who earn the minimum wage and do not get any tips.

In 2000-2001, the government increased the benefit from 50% to 55%. The 66% rate that we used to have was the same as that offered by insurance companies. If somebody falls ill, for example, insurance companies cover 66% of the person's salary. If compensation is due, it is paid at almost 80%.

This program belongs to the workers. Often the people who really need it are those in low-paying seasonal jobs. I did not mention the rate in my bill because I was planning on tabling a separate one on that issue. After all, the Liberals do not like to vote on a number of issues at the same time. Yet, this morning, once again, I see that they are turning their backs on the workers. I am going to support Mr. Lessard's motion, but I am not sure that it will meet with everybody's approval.

[English]

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

Mr. Lake.

**Mr. Mike Lake:** I think when we start talking about cents in the rate, most people have a hard time figuring out what that actually means. I know I've never really paid attention to the rate I pay into EI; I just know I pay too much. But I would point out that with Mr. Lessard's amendment, this would work out to almost \$200 per worker across the country. I think that's something people can relate to—\$200 more that they would spend on EI, either directly or indirectly through their employers. Again, I think that's completely unrealistic.

There is kind of an irony here. I wrote down Mr. Cuzner's quote here. He says, "Some Canadians do need help at times." I acknowledge that. I think actually there is a reason we have an EI system, and in spirit, it's a good program. I would point out that the changes we're talking about here—and we've talked about many different changes over time in this committee—as with those other changes, will actually hinder our ability to help the people who need the help.

I will make the argument. The research shows that when social program funding goes out of control, poverty actually goes up, because there's a point at which you're actually hurting the people you're trying to help.

Think about it this way. As the economy grows, we have more opportunities for people to work and we have more money for social programs. The current situation is that most of the growth in the economy right now, the Canadian economy—we have to think about this in the big picture—is happening out west, but as we heard from one of the witnesses from Atlantic Canada, there are some areas of growth in Atlantic Canada as well. In what we're talking about with this particular bill, you can't deny that whatever you say about the bill, it certainly is not creating an incentive to work. If anything, it's going to create a disincentive to solving the labour problems we have in the country. It will help some people individually, but it's going to create a disincentive overall to contribute to the overall economy.

In Alberta, we have some significant challenges. We're bringing over temporary foreign workers to help solve that problem, but we're not even close. Mr. Godin talked about people coming out west to work. We're not even remotely in the ballpark in terms of the labour we need; therefore, the economy of the country is hurt by that,

because the economy is not growing at the rate at which it should be. Therefore, taxes aren't being collected, money is not going into the EI program to fund some of these things you're talking about funding, and the overall economy is hurt. The overall ability to fund social programs is actually hurt by that in other parts of the country, because of equalization.

The solution isn't necessarily to force people to move. I know you like to use that kind of talking point, but the reality is that that's not what we're talking about here. We're talking about people who want to move coming out, not necessarily even moving but coming out and working and perhaps going back to their ridings and using the money they make to create jobs, by spending it in their own ridings, as we've seen in Cape Breton, as we've seen in Newfoundland, in some recent stories. That's helping the situation in those ridings. In fact, there are now people who are able to work in construction in those ridings, building houses or whatnot, who otherwise wouldn't be working, because of that situation.

I have a constituent with a company in my riding, a friend of mine, who actually expressed the same concerns you have about people moving across the country. He said, "You know, there has to be a way that we as employers can tap into the situation right now and maybe come up with some creative solutions to transfer some of the advantage we have, some of the labour needs we have, to other parts of the country so that people can actually work and contribute in their own part of the country and do things that are transferable. We have to be creative in that way."

I think this kind of approach actually creates a disincentive to that creativity. That's what I believe. At the end of the day, if we shrink the economy overall in the big picture, if we shrink the economy in certain parts of the country, whether it be out west or whether it be parts of Atlantic Canada where they need workers and can't find them, no matter where it is in the country, we have less opportunity for people and we have fewer dollars to spend on social programs.

• (1000)

At the end of the day, that's exactly what this bill is going to accomplish—less opportunity, less money for social programs.

**The Chair:** Mr. Savage.

**Mr. Michael Savage:** I wasn't going to respond, but I think this relates to a view of how the government sees its role in the social infrastructure of Canada. In large part, they would just as soon abdicate that responsibility. They would rather say, "It's not our job", because it's connected with what they refer to as social engineering. I think the federal government has a big role.

The premiums that go into this fund come from employers and employees. This is not money that comes from the general taxpayer. Rather, money that comes from employers and employees goes into the fund. It doesn't mean it's inappropriate to make changes to it, but I think we have to be careful in how we go about it.

Employment insurance changes can hurt places like Atlantic Canada. We saw it yesterday—a cut of \$150 million in ACOA that the government hasn't publicly acknowledged yet. There are a lot of changes reflecting how this government views Atlantic Canada. This is different from how we view it or, I would suspect, how the other parties view it.

As to the amendment of Mr. Lessard, at a cost of \$1.2 billion it's very expensive to go for 55% to 60%. This is an index of salaries. If you're looking at how to spend \$1.2 billion, there are a lot of ways you could do it. Is this the most effective way? I would argue that it may well not be the most effective way, that there are other ways we can help, and that we should put money back into the pockets of workers' families.

I believe the best 12 weeks is worthy of support. That makes a lot of sense, and we'll support it. When we discussed this before, in the last bill, we supported 60%. The Bloc and the NDP supported the regional rates. So there's been a little moving around of position here. But from a responsible point of view, do we think \$1.2 billion should go back into the pockets of working people? Yes, we do. Do we think this is the best way to do it? No, we don't.

**The Chair:** Mr. Godin.

• (1005)

**Mr. Yvon Godin:** Just for the record, I'd like to thank the Liberals for finally supporting the best 12 weeks. In June 2005, when we had a motion in the House of Commons on the best 12 weeks, they voted against it. I mean, they're coming along.

I'd like to thank Mr. Lake, my big brother, for helping us in the Atlantic by saying he's the saviour of the Atlantic and he thinks well of us and how we behave. But that's not how the family thinks. It's not how the women think, who call me and say they're missing their husband who's living out in Alberta and if he doesn't come back soon the family's going to separate. It's not how husbands think, who call and say, "If I go home I have to quit my employment, and if I don't go home I'm going to lose my marriage". In life, people have to work. But they're still human beings, and we have to look at the effect on the person.

The idea of working, of moving some stuff from Alberta, maybe some jobs, to other places in the country, that's the great thing. We're working on that point. That's what it's all about. In the meantime, we cannot let the workers suffer. We need to develop these methods. That's how we will cut down on unemployment insurance, by training and changing things.

For example, if a person works in Alberta for three months, we could have a program that allows him to go home for a month, so that the employer could lay him off instead of saying he'd quit. You would be able to get your earnings and go back. Instead of working 10 weeks, he might work nine months, but he would have an opportunity to see his family and be able to tap into those companies that make good in some other places in the country. The way the program is, if you go, you're worse off than if you don't. That's why some don't go. They think that if they go, that's it, they'll lose their family or their earnings. Some base their decisions on that.

We could look at different things, but if a person loses his job he should qualify for this program. I think it's the responsibility of the

government to work towards economic development. If there's growth in one place in the country, how could we move it to another place? I think things could be done in different places in the country. We've been working on it. We have endorsed a company that's fabricating stuff in New Brunswick and sending it out there. It has started to work that way. It's not the employment insurance that's going to force this. In the meantime, we have workers who are suffering. It's their program, not the government's program.

I'd like to thank my big brother from Alberta for the way he spoke. I thank you on behalf of all the Atlantic people and the people of the Gaspé coast. You people have good thoughts about us and we appreciate it.

**The Chair:** We're going to move to Mr. Lessard now; he has a comment.

Maybe we can wrap it up, and after this comment we can have a vote.

Mr. Lessard, you have the final word, sir.

[*Translation*]

**Mr. Yves Lessard:** I am always happy to have the last word. I just wanted to clarify one point. I heard Mr. Lake say, on behalf of the Conservative Party, that, if we adopted this measure, there would be less money for social programs. That it is a choice we are making. But Mr. Lake's comment contradicts his government's plan to set up a Crown Corporation to administer a stand-alone employment insurance fund in order to ensure that money is not misappropriated. His argument does not, therefore, make any sense.

It is essentially a question of political and social ideology. This is something that we have already seen with the daycare program. A daycare program was getting off the ground across Canada, but the Conservatives chose to abandon it. That illustrates the sort of choice that they make. And they are entitled to make decisions as they see fit, Mr. Chairman. Our choices give expression to our values. What are the values that define them? Will they be remembered for their humanitarian values and their desire to help those who are currently paying premiums should they one day lose their job? Or will they be remembered for their pro-nuclear, pro-war, pro-oil company values? That is their right. However, those who vote for the Conservatives have to know who they are voting into power.

To my mind, Bill C-265 gives us the opportunity to improve the lives of workers using their own money. In doing so, we also help employers, as such measures often allow for a skilled workforce to remain close to businesses that have to lay off staff temporarily. That is something else that should not be overlooked.

That is the rationale behind my amendment and it reflects the spirit of the bill. I would once again urge my colleagues to vote in favour of the amendment.

• (1010)

[English]

**The Chair:** Thank you.

Mike, did you have a final comment?

**Mr. Mike Lake:** Actually, I have a couple of comments on what a couple of people have said.

I noticed that Mr. Savage pointed out that employment insurance changes can hurt people in Atlantic Canada. I think I have quoted what he said. I would just point out that the most significant fact is that the only significant cuts to the employment insurance program were made by his previous Liberal government, so I found that to be interesting.

In terms of Mr. Godin's comments—

**Mr. Yvon Godin:** I have a point of order.

**The Chair:** Is it a point of order?

**Mr. Yvon Godin:** I think it's a point of order. It started with Brian Mulroney in 1986—

**The Chair:** All right, that's debate. I'll put you back on the list, but...anyway, go ahead.

**Mr. Mike Lake:** The second point has to do with what Mr. Godin said.

It's been interesting sitting on this committee over the last two years because it is a real learning experience to hear from different perspectives from across the country. Certainly on this issue there's a significant difference in perspectives from people across the country. I would just share the experience I have in meeting with people on a very regular basis. You talk about it being tough for a spouse to move across the country and work and then come back and be away, and I agree, I think that would be very difficult. I'm not advocating forcing anybody to move. It's all about choices, the choices we facilitate, and the good of the country.

I would just point out that the common experience for me in terms of meeting constituents is with the employer who's working 16 to 18 hours a day to try to keep his business running because he cannot find anybody—anybody—to work, and his spouse is working with him. The kids suffer from that. They have a choice: their business dies or they work 16 to 18 hours seven days a week, every single day, because they don't have anybody to work. If the business dies, yes, that's a correction, I suppose, in the economy—you could look at it that way—but it's not a correction that I think we want. I think we'd rather have those businesses stay afloat, maintain the employment, and allow them to contribute to the economy.

I'm reluctant to even comment on what Mr. Lessard had to say, because obviously he was totally misrepresenting everything I had to say. I will point out that I was talking more about economic corrections in the big-picture economy when I was talking about money we have to spend. What I would be looking at is revenues, as opposed to money specifically for social programs. If we implement these measures, the long-term effect economically is going to be less

government revenue for provincial and federal governments across the country. Those governments are going to have to decide what they spend that money on, but purely, all other things being equal, the impact of this kind of legislation is less revenue for governments across the country.

**The Chair:** Let's move to the question on the Bloc amendment.

(Amendment negatived)

(Clause 5 agreed to)

**The Chair:** That takes us to our last clause, I believe. If there's no discussion, I'll just call the question.

(Clause 6 agreed to)

**The Chair:** Shall the title carry?

**Some hon. members:** Agreed.

**The Chair:** Shall the bill as amended carry?

**An hon. member:** There were no amendments.

**The Chair:** That's correct, but there were two clauses deleted.

So shall the bill as amended—in this case, as the clauses have been defeated—carry?

**Some hon. members:** Agreed.

**The Chair:** Shall the chair report the bill as amended to the House?

**Some hon. members:** Agreed.

**The Chair:** Shall the committee order a reprint of the bill as amended for the use of the House at report stage?

That's probably not essential. Normally we would have a reprint of the bill, but given the fact that just two clauses have been deleted, the question is whether it's necessary to have the bill reprinted. I think it's pretty straightforward. There wasn't anything major added to it.

Is that okay?

Yes, go ahead, Monsieur Godin.

• (1015)

**Mr. Yvon Godin:** Could we add in the report that through a coalition between the Liberals and the Conservatives, Bill C-269—the 360 hours for the workers across the country—was not carried? Maybe we could add an amendment to that; maybe Liberals would agree with me.

**The Chair:** Oh, it's too late for amendments; I'm sorry.

That is it for the business of the bill. We do have some committee business to get to.

**Mr. Michael Savage:** Mr. Chair, I'm not sure if this is the appropriate time to discuss the issue, but Mr. Lessard had raised a point about the royal recommendation.

**The Chair:** We could do that. We could talk about that.

To the witnesses, thank you very much for coming back again.

All right, Mr. Savage, we can address that right now. Go ahead, sir.

**Mr. Michael Savage:** Mr. Lessard's point is correct: the government has indicated that they will be setting up an employment insurance commission; I forget the exact acronym. It means that this will be at arm's length from government, which, in my view, impacts upon the decision of whether or not a royal recommendation is actually required. I'm wondering what the procedure is for questioning and putting forward the view of the committee that we think it shouldn't require a royal recommendation based on that.

**The Chair:** My thoughts are that this will go back to the House, so if you want to address it at that stage of the House, that would probably...

The board, as I understand it, isn't being set up until next year. It falls into this calendar year, as we look at it, so my thinking is that your whips may want to raise it again with the Speaker. I'm also reminded that an announcement has been made for the separate financing board, but that has not yet been passed by Parliament.

Once again, Mike, if you guys want to have your whips talk to the Speaker, maybe that's an option there.

Mr. Lessard, sir.

[*Translation*]

**Mr. Yves Lessard:** I am sorry, Mr. Chairman, but I did not hear what you said. I think it was important, but the interpreter was unable to interpret as you were not speaking into the microphone. Could you please repeat it?

[*English*]

**The Chair:** The question was on whether or not this should be looked at separately. I've been reminded that although there's legislation pending to set up a separate financing board, that has not happened yet. That hasn't been approved by Parliament.

So that's one thing. The second thing is that, by all means, if whips and House leaders want to take this back to Mr. Milliken...because another suggestion is to have him take a look at it again.

Okay? Thank you very much.

Mr. Savage, did you want to bring your motion forward, or how did you want to deal with that?

**Mr. Michael Savage:** I look to the indulgence of the committee and to you as chair. Let me just explain the motion.

Should I read it?

**The Chair:** Why don't you read it while it's being handed out?

**Mr. Michael Savage:** The motion reads:

That the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities conduct hearings on the Government of Canada's intent to create a Crown Corporation for the purpose of administering the Employment Insurance Fund and that the Committee call such witnesses as deemed necessary to assess the implications of transferring the administration of Employment Insurance from the department of Human Resources and Social Development Canada to a Crown Corporation.

**The Chair:** Did you want to speak to that, Mike?

**Mr. Michael Savage:** There is a lot of concern when people hear about arm's-length organizations, particularly dealing with some-

thing as important as employment insurance. There's also support for the idea that there should be a separate fund that would be responsible for parts of the administration of employment insurance, i.e., premium setting.

One assumes and understands that the ultimate responsibility for employment insurance benefits would still rest with Parliament, but we need to find out exactly what the government has in mind with this crown corporation, because it does send some shudders down the backs of a lot of people across Canada. I think it would be helpful not only to this committee but also to the Government of Canada if we had some public hearings at this committee to find out from the minister, the department, others from labour, workers' groups, and business what they think about this idea and what they'd like to see involved in it. That would be my view.

I want to give one caveat, Mr. Chair. I think it's very important that we embark on the poverty study. This is something we've needed to do for a long time. I'm not suggesting we do this on Thursday, next Tuesday, or next week. I would be prepared to have this adopted by the committee as part of our work plan at some point in the near future. I think it's very important that we, with all expeditiousness, embark on the poverty study, and I do want to fit this in at some point in time. I think it's something a lot of people would like to see done.

• (1020)

**The Chair:** Okay. I'm taking some names here.

We'll hear from Mr. Lake, Mr. Godin, and then Mr. Lessard.

**Mr. Mike Lake:** The only point I want to make is that I understand what Mr. Savage is getting at. I think if we are going to be serious about embarking on our poverty study, then that's what we need to do. We can bring forward this motion any time we want to and decide to study it, but right now the last thing we need is to muddy the water, put more things on our plate, and add something to our list of priorities.

Our number one priority right now needs to be the poverty study. It's something we've been talking about doing. I understand it's been talked about since way before I ever got here, and we've been talking about it for over two years now. I think we need to move on to it.

**The Chair:** Thanks, Mike.

I have Mr. Godin, Mr. Lessard, and Ms. Yelich.

[*Translation*]

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

As I sit here considering the motion tabled by our Liberal colleague, Mr. Savage, I hear *Mr. Big Brother*, Mr. Lake, say that he wants to study poverty in Canada. It is certainly something we can discuss because, as 800 000 workers are not eligible for employment insurance, the employment insurance regime is one of the causes of poverty in Canada. Such a high number of non-entitled Canadians means that children are suffering. There are 1.4 million children in Canada who go hungry and, in my opinion, the cuts to the employment insurance program have contributed to this poverty. Do we really need to study the underlying causes of the problem? If, after all the years we have spent here, we still do not understand the origins of the problem...I know that the study has to be done, but the EI fund project is moving ahead fairly quickly. Minister Solberg wants to move ahead with it and plans to hold hearings to gain a better understanding of the state of affairs across the country and to find out what people really think of the fund.

The stand-alone fund that was suggested—and I do not want to get into a debate about it—sought to remove the money from the general revenues and put it aside to prevent it being pilfered. Setting up a Crown Corporation, however, is not without consequence. I think that we ought to study the matter and convene experts to explain exactly what a fund administered by a Crown Corporation would entail. What changes would it create in the employment insurance system? What would the consequences of such a change be?

I would support this becoming a priority. If the Minister decides to go ahead with a Crown Corporation we would have to initiate a study. This way, the Committee would have already expressed its view on the matter.

[English]

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

Mr. Lessard, sir.

[Translation]

**Mr. Yves Lessard:** I think that our colleague, Mr. Godin, has explained the situation well. The EI fund is a key element of our study on poverty. People speak as if poverty and employment insurance were two separate issues when in fact they are closely intertwined. The ineligibility of 60 per cent of workers who lose their jobs, workers who should be entitled to benefits, is one of the factors that aggravates poverty.

I understand that this is a matter of little importance to the Conservatives, but we are going to support this timely Liberal motion. I do not know whether Mr. Savage would agree with me, but it is one of the issues that we should perhaps study as part of our poverty study. However, we cannot wait too long, as the Conservatives are trying to delay studying it until after adjournment. They are putting off a lot of decisions until after the House has adjourned. We have to study the ramifications of setting up a Crown Corporation over the course of the next few weeks.

•(1025)

[English]

**The Chair:** Thank you.

I have Ms. Yelich, Ms. Sgro, Mr. Lake, and Mr. Savage.

Ms. Yelich.

**Mrs. Lynne Yelich:** Yes. I believe Finance is having a briefing tonight to talk specifically about the EI fund. Apparently there was a message sent. I'm just waiting on my staff to see what it said exactly, but I believe there is a briefing specifically by Finance on this particular fund.

**The Chair:** Okay, thank you. And if you hear anything before we're done, Lynne—

**Mrs. Lynne Yelich:** I think that's why—

**The Chair:** —you'll let us know.

**Mrs. Lynne Yelich:** —we should cease speaking about something that we can maybe be more informed about if we see what Finance is doing.

**The Chair:** Sure.

I have Ms. Sgro.

**Hon. Judy Sgro (York West, Lib.):** There is a briefing tonight on the whole budget issue, so I assume that will be part of it.

I think this is very important. The government clearly, I think, can benefit from the discussions here in the committee once we have a better understanding of exactly what the intent is. It is involved in the whole issue of what we're trying to do when we talk about poverty, because the employment insurance backdrop is there as part of those issues to help people from falling into those traps of poverty.

I think it's important that we look at this—it's part of it—and that the government, since they've already indicated that they'll be setting it up next year, could clearly benefit from the kinds of information this committee could forward while they're doing it for consideration. There's no sense doing it after the fact. And given the fact that the government plans to deal with this next year, taking a couple of meetings and getting a better understanding of the government's intent here, we may be able to enhance it and make it that much better when the government moves forward.

I think it's an important thing to do, and it's linked to the study that we all want to get started on anyway.

**The Chair:** Thanks, Judy.

Mike, and then Mr. Savage.

**Mr. Mike Lake:** I agree with what Ms. Sgro is saying. The challenge, of course, is that we have a great many great things that we can study in this committee. I've been approached, and I'm interested in a study having to do with disability issues. We have the poverty study and now we're talking about this. And now Mr. Savage has said he's willing to not attach a timeline to it. I guess my argument would be then that we can bring this up at the appropriate time to actually vote on whether we should do it at that time.

If we're not going to do that, if we're not going to attach a timeline to it, if we're just going to vote on it right now, then that would indicate to me that it comes before the poverty study. In my personal view, I think the poverty study is the most important thing we have to do right now.

I'll move an amendment actually here because I am interested in studying this. I think there are many ways we can do it in conjunction with the poverty study. It will probably be discussed right within the poverty study.

My amendment would be that after the word "that", I would add a comma and say, "upon completion of the poverty study". That way we can make sure we have our priorities set. The poverty study is the priority. If at the end of the poverty study we want to conduct these hearings, then we can do so.

Given that we're in a minority government situation, and further, I guess, to Mr. Godin's comments, I would say all the more priority should be given to the poverty study to ensure that we complete it before the next election.

**The Chair:** I have Mr. Savage on the list. Do you want to speak to the amendment?

**Mr. Michael Savage:** Yes. I don't think I'd want to support an amendment that says we would shelve this until after the poverty study, if that's what Mike is proposing. I'm intrigued and interested and willing to pursue the idea that this study might go on as part of our discussion of poverty. This affects a lot of people. It affects businesses and employers, so it's not strictly on poverty, but certainly poverty is very closely intertwined with our EI system, as it is with the other parts of the social network we have in Canada.

Personally, what I would like to do is canvass the opinion of members here, take it to the subcommittee, where our regular NDP member, Tony, would be as well—or is he here now?—and figure out.... I want to canvass my own colleagues in private.

• (1030)

**The Chair:** Of the subcommittee.

**Mr. Michael Savage:** I want to say one thing. Ms. Yelich indicated that Finance is looking at this. EI bills come to HUMA for a reason, because this is the committee that should be looking at these things. I think we should be looking at it, and if there's a way to incorporate it into the poverty study, I'm entirely open to that, but I want to make sure we spend some significant time discussing with people. I would think the government would find that beneficial too as they go about their plans, being a government that wants to hear what the people have to say, on occasion. I would think they would want to make this part of their deliberations as they decide how to formulate this new crown corporation.

**The Chair:** Thanks, Mike.

Mr. Godin, Mr. Lessard, and Ms. Yelich.

**Mr. Yvon Godin:** As I read it, employment insurance has to be considered a problem of poverty, and this would be part of it.

I think because in this budget the government has chosen to say they want to have a separate fund through a crown corporation, it's important within the study. If we just do studies to make reports, it's just going to go on. This is something to deal with it, as part of the problem of poverty.

I think the way to go about it is to have it in the motion, to accept the motion as it is, and then when you're getting into it, attack this one right away, change it to have everybody involved, to know

where they're going with this. Bring in some experts to see what it means.

Does a crown corporation mean, for example, when we raise a question about Radio-Canada or CBC and we are told to speak to the president of Radio-Canada that the government has no say in it anymore? Is that what it means? Does it mean when you talk about Canada Post in Parliament, the government says it's at arm's length to the government, so go talk to Canada Post? And then there's nothing they can do because the government is on the sidelines.

Is that what all this will mean? That's the type of question we have to raise. What will be the difference between having a corporation and having a separate fund as we wish it to happen? That's the type of study we need. It's all to do with people who create poverty in our country. But this is one I believe should move because of the government's intention in the budget to take direct action. People had better study it and know what the impact will be. What will the impact be?

That's why I will support this motion. I would have liked the motion to go farther, to say it would be the first priority of the committee, but I will leave Tony Martin to make that decision.

**The Chair:** Thank you.

I've got Mr. Lessard, Ms. Yelich, and Mr. Lake.

[*Translation*]

**Mr. Yves Lessard:** Mr. Chairman, the poverty study will involve a lot of work. Our mandate is every bit as weighty as the one that we had for our employability study, which took two years. The Crown Corporation is to be set up in 2009. That means that if we pass Mr. Lake's amendment, we will not begin the study until after the agency is up and running. That does not make any sense. We should carry out the study and table our recommendations in the House before the summer recess.

I propose that we adopt Mr. Savage's motion as it stands, and that we heed his suggestion that the subcommittee determine how to fit it into our agenda without disrupting our study on poverty. I think that it is possible, but it is for the subcommittee to iron out the details and report back to us.

• (1035)

[*English*]

**The Chair:** Thank you.

Ms. Yelich, and then Mr. Lake.

**Mrs. Lynne Yelich:** I just want to make a comment.

Mr. Savage was saying that we, the Conservatives, haven't made poverty a priority and this employment insurance fund is just something of our own agenda. I think the study of poverty should be first and foremost, and we can perhaps make this part of that study. But I don't see them really working hand in hand, because what I understood the poverty study to be is to help people get out of poverty. That usually is something about affordable housing or about jobs—creating jobs, not finding ways to get people on unemployment or finding different ways to change the unemployment act. I thought we were going to work on trying to see what we can do to assist people to get a good job and good, affordable housing.

So I'm not sure why we would ever think poverty wouldn't be first and foremost, and that's what we should be studying. Then, on the employment insurance, first of all, let's see the framework. It is not going to be quite as Mr. Godin had dreamt about. It's going to be a managed board that's going to oversee a fund that can never become surpluses for other governments to raid and to spend as they wish.

First and foremost, I would hate to see this poverty study go like the employability study. I think it went on far too long. We do have other pieces of legislation that we'll probably have to study in the meantime.

Mr. Martin has waited patiently for this poverty study. We've already made suggestions on witnesses, and so on. Can we put that first and foremost, make it a priority and set a deadline for it to finish, and then put the EI fund second, as Mr. Lake has suggested? Perhaps we can find out a little bit about the framework of the fund before we start making suggestions that it's going to become part of our poverty study.

**The Chair:** Thanks, Lynne.

Last on the list is Mr. Lake.

**Mr. Mike Lake:** I come back to the question of priorities here. As a committee, we have to decide what our priority is. We took over two years to do the employability study. If we take the same amount of time to do the poverty study, we won't get it done.

We know from experience in this committee that we're going to have several pieces of legislation come before us. We're going to have several politically motivated issues that are going to be brought up from time to time that are going to require two meetings here or three meetings there, and if we continue to slot those in instead of dealing with the poverty study, then there is absolutely no substance to our committee's discussion about poverty; it's just talk.

If we're serious about doing a poverty study, if as a committee there's substance behind our talk on poverty, then we need to make an absolute priority of our poverty study. We need to not let anything get in the way of that poverty study. If anything, it will motivate us to get through the poverty study so that we can actually conduct hearings on the other things that we need to conduct hearings on.

In my view, the poverty study is first and foremost. It's the most important thing we have to study. What I don't want to see us do is to slot three meetings in here to study this issue, three other meetings in there to study another issue, and then fall four committee meetings short of finishing our poverty study at the end. That's the road I see us going down right now. If we don't start the poverty study now and stick to it, we will not finish it.

So I think we really need to question ourselves on whether that poverty study is our priority. I believe it should be.

**The Chair:** Okay. If there's no other discussion, I'll call the question.

**Mr. Yvon Godin:** No. I have a small comment on this.

**The Chair:** Mr. Godin.

**Mr. Yvon Godin:** You really moved my colleague Tony to tears this morning.

Mr. Martin really appreciates the support of the Conservatives now, since 2006, on the poverty in our country. He really appreciates it. He's in tears.

**Mr. Mike Lake:** It's because they're like brothers.

**Mr. Yvon Godin:** I could tell you again—and I repeat myself—800,000 people are unqualified for EI, and 1.5 million children are hungry in our country. I say employment insurance has done it. I think that's the way to go about it if we want to change some things in our country.

Thank you.

**The Chair:** Thanks, Mr. Godin.

Okay. I will call the question if there's no more discussion on the amendment that Mr. Lake has put forward.

Is everyone clear on what the amendment is?

For our Bloc friends, the amendment was that we not look at this at all until we've done the poverty study. I could read it to you, "That upon completion...."

•(1040)

[*Translation*]

**Ms. France Bonsant:** O.K., that's fine.

[*English*]

**The Chair:** Okay, thank you.

(Amendment negatived)

**The Chair:** We're back to the main motion. Did you have any more discussion?

Go ahead, Mr. Lake.

**Mr. Mike Lake:** How would I like to phrase this? I want to make another amendment.

After the word "that", I want to add the phrase, "with recognition that priority should be given to the poverty study".

**The Chair:** Is that it? Okay. Could you just repeat that?

**Mr. Mike Lake:** Just add a comma after the word "that", and "with recognition that priority should be given to the poverty study", and the rest can stand.

**The Chair:** Okay.

I have Mr. Lessard. Go ahead, sir.



[Translation]

**Mr. Yves Lessard:** I will be brief, Mr. Chairman. I think that the amendment is out of order, but even if it is not, we will be voting against it. It is an attempt to achieve, by indirect means, what we just decided not to do by direct means. It is trying to do exactly what we just voted against doing. I would urge my colleagues to defeat these amendments until the Conservatives get the message, or until you rule them out of order.

Thank you.

[English]

**The Chair:** I have Ms. Yelich and then Mr. Lake.

**Mrs. Lynne Yelich:** What we're asking is to prioritize the poverty study, period. Then we'll go on. This can become part of it. He can perhaps introduce the motion, but let's get the poverty study under way and get it done.

**The Chair:** Yes, and my sense is that is the plan. I think as we talk and bring back some recommendations for Thursday, it was that we were going to come up with a work plan as a group on Thursday. I think everyone agrees that the poverty study should be started, and what Mike has suggested is that maybe at some point we work this in, but let's hear what everyone else is saying. Certainly we'll talk to Tony on Wednesday about that.

Mike, go ahead.

**Mr. Mike Lake:** I won't speak long. Mr. Lessard says it's unacceptable that priority be given to the poverty study; I think the poverty study should take priority. I think that studying poverty for our committee should be a priority. The Bloc may have other ideas. It sounds as though they may have several different political priorities, but I think that a realistic and important priority for this committee should be that we conduct our poverty study.

**The Chair:** Okay, thanks.

I've got Mr. Godin and Mr. Lessard.

[Translation]

**Mr. Yvon Godin:** I do not know whether the Conservatives think that we are a bunch of idiots. I know it is April Fool's Day today. They are trying to pull a swift one, but the people around this table are smart enough to see what is happening. They are trying to claim that they want to carry out a study on poverty and travel across Canada to gather testimony, but are being thwarted in their efforts by Mr. Lessard from the Bloc Québécois, Mr. Godin from the NDP and the Liberals, who do not consider the study to be a priority. It is outrageous. That is my personal opinion.

This motion could serve as a starting point for our study on poverty. It gives us one of the priorities for the study. It is part of our poverty study. I might propose an amendment at a later date but, for the moment, I trust that the steering committee will propose it. Even if today is April 1, April Fool's day, we are not buying it. We are not falling for Mr. Lake's April Fool's joke. In case they still do not understand, I will repeat the point for a third time: the changes to the employment insurance regime are a cause of poverty.

[English]

**The Chair:** Mr. Lessard is next, and then Ms. Yelich.

[Translation]

**Mr. Yves Lessard:** Mr. Chairman, to say that I do not consider poverty to be a priority is an outrage. Obviously, anyone who has been following our work knows that it is a priority for me.

However, the issue here is not whether poverty is a priority. The majority of people on this committee have already established that it is. For the Bloc, the NDP and the Liberals, I think that it is clear: poverty is a priority. What is happening here is that the government is trying to delay the proposed study on the ramifications of setting up a Crown Corporation until after it has implemented its legislation, thus rendering our recommendations meaningless. The implementation is scheduled for the beginning of 2009; it will come around quickly.

Lets us not muddy the waters. Our priority remains the study on poverty, but we will also study Mr. Savage's motion. The committee will try to find a way to integrate the study into its work in order that the recommendations can be tabled in the House before we adjourn for the summer. If this Parliament continues after the summer recess, then I am sure the Conservatives will use dilatory tactics to put it off for as long as possible. We know what they are like. I think this would be the best way to proceed.

The best way to move forward is for the steering committee to meet and find a way to incorporate this into our work schedule without it affecting our work on poverty. That is the best way to approach this. Furthermore, once we start the study, we have to take the time to do it properly, we cannot just suggest any old change.

● (1045)

[English]

**The Chair:** Ms. Yelich.

**Mrs. Lynne Yelich:** I would just like to say to Mr. Godin that we're not the stupid ones. We have actually followed the employment bill study for over two years, and perhaps he should let Mr. Martin sit in that chair and decide which is the priority. But I thought the priority study was first and foremost and was most important. With regard to EI, we're not talking about EI legislation; we're talking about setting up a fund. So it's different from the poverty study. It can be part of it, and perhaps we can make some suggestions about how this fund is going to work.

But my idea of the poverty study is that it's going to be an in-depth study about poverty, about getting people back to becoming contributors to the economy and becoming contributors for their own well-being. I think they're two different topics, and I think we're missing the boat. I had hoped the poverty study would work so that we would get it through before the next election. It's taken over two years for the employability study. Have we even introduced it to the House yet? It's still not there on our anniversary.

**The Chair:** I have Mr. Lake, and then we could maybe vote on the amendment.

Mr. Lake.

**Mr. Mike Lake:** Mr. Chair, the comments from Mr. Lessard and Mr. Godin are outrageous. They're absolutely ridiculous. Leadership is all about priorities. As elected representatives, we have a responsibility to set priorities, and people expect us to be able to set priorities and to manage those priorities. If the poverty study is more than just talking points for you, then we should study it diligently and efficiently and come up with a timely and solid report, and then move on to our other important priorities. But we have to set priorities. We have to get something done. We cannot take two years again.

**The Chair:** I will then call the question on Mr. Lake's second amendment.

**Mr. Mike Lake:** Could you read that amendment? I think if the Liberals listen to it, they might...

**The Chair:** Sure. It reads "that with recognition that priority should be given to the poverty study, the Standing Committee on Human Resources..." etc.

(Amendment negated)

**The Chair:** I will go to the main motion then.

(Motion agreed to)

**The Chair:** We'll talk about that and discuss that as part of the work plan on Wednesday. I have one last point to bring up.

There is a dissenting opinion from the Conservative Party, which missed the deadline. We had set those deadlines because we weren't going to be around. I need consent from the committee to make sure it's okay to go with the report we're going to table on Wednesday. It's a dissenting report. We had some arbitrary deadlines for those reports. This came in after the deadline, so the clerk said we need to get permission from the committee to suggest whether or not we could receive this dissenting report from the employability study. Sorry, I should have clarified that. This dissenting report came in after the deadline. Is there a problem with that? Could that be tabled, with the other dissenting reports?

**Mr. Michael Savage:** I think it's terribly sloppy, Mr. Chair. But in deference to my friends, their voices should be heard.

• (1050)

**The Chair:** Okay. All right. We appreciate that.

**Mrs. Lynne Yelich:** You didn't really say that from the heart.

**The Chair:** I don't believe we have any other business at this point in time. There will be a subcommittee meeting scheduled for Wednesday, and then on Thursday we will together work on a work plan for poverty, etc., as we move forward over the next few months.

With that, the meeting is adjourned.

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