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

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**Thursday, May 8, 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

Thursday, May 8, 2008

•(0910)

[English]

**The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)):** I'd like to call the meeting to order, pursuant to Standing Order 108(2), study of the Canada Employment Insurance Financing Board.

Once again, I want to extend to our witnesses our thanks for their being able to respond in such short order in terms of dealing with the short timelines and being able to come here today.

Based on what we decided at pre-committee, each of you will have a bit different time in terms of presenting. I believe our clerk has indicated to you what that is. We felt it was important to get more in, and that's why we've asked some of you to come in with a little shorter presentation.

I'm going to start with what the MPs have as far as a witness list goes and move through it that way. I realize you may not be set up around the table that way. We'll do that. We'll hear all your testimony and then we will start with a first round of seven minutes, followed by a second round of five minutes, and continue in that order.

So without any more preamble, I want to thank you all again for being here. I'm going to start with the Canadian Labour Congress and Mr. Jackson, who's been here before.

Sir, welcome back. You have seven minutes. I will let you know with a hand gesture that there are one or two minutes left, in case you need some help with the timing. Mr. Jackson, seven minutes, sir.

**Mr. Andrew Jackson (National Director, Social and Economic Policy, Canadian Labour Congress):** Thank you for the opportunity to appear.

I might just say, as I had the opportunity to say to you earlier, Mr. Chair, that we really appreciated the recent report of the committee on employability issues. It was a very constructive document and quite an important reference point moving forward.

With respect to the EI Financing Board, I must say I'm a little unclear on process. I appeared before the finance committee yesterday on the bill. We have a number of specific suggested changes to the legislation. I hope it's appropriate to address those with you as well as with them.

This legislation incorporates a lot of what is in the present EI Act, a lot of which we wouldn't particularly like but which really represents no change. As I interpret it, what is really achieved in this

bill...I think the intent is to make sure that any future surpluses generated from the EI system, moving forward, would be available to reduce premiums or perhaps to increase benefits rather than be swallowed up in the general government accounts.

I think that's a rather narrow purpose. From my point of view, the key problem and concern is that the past accumulated surplus of \$54 billion will just sit there in an EI account, again integrated into the public accounts. In a sense, we're moving from an EI surplus of \$54 billion in one account to a new EI account with \$2 billion passed over to it—both of which are integrated into the public accounts, by the way. As I understand it, no cheque will actually be issued for that \$2 billion by the Government of Canada; it will be made available to them. But if they draw on that \$2 billion, the money will have to be repaid to the government. How that moves us forward is a bit unclear, to say the least.

It's important to flag the point that the accumulated surplus was built up from the mid-1990s. Over the first part of that period, the rationale for the surplus was that it was there to backstop the EI account. The rationale that is now being used by the Government of Canada before the Supreme Court to defend building up that surplus has shifted to the general right of the federal government to levy a payroll tax.

This is not in dispute, but I think it is important to flag the fact that the Supreme Court will be holding hearings next week into the legality of collecting that huge surplus through EI premiums. If the previous federal government had intended to reduce the deficit and the debt through a payroll tax, it could have done so. It chose to do it through the EI premium, which is properly constructed as a social insurance program premium. But nobody would have chosen it as a form of taxation to reduce the deficit and the debt.

The key point I would make is that the EI surplus was built up, in significant part, on the justification that it was there to backstop the EI account, that it was there to cover deficits if we entered a prolonged recession. We know that \$2 billion is not enough to accomplish that purpose.

I believe this legislation should be amended to explicitly state that the EI account remains available to the Government of Canada to backstop any deficits in the event of a recession. I believe that would actually reflect what Minister Flaherty has said to us—that if indeed expenditures were to exceed revenues over a year, the Government of Canada would make up the difference. I think that should be explicitly stated in the legislation, so that the accumulated EI account isn't just hanging there in limbo.

Going one step further, our preference certainly would have been that an amount of \$10 billion or \$15 billion be transferred to the new board so that it could cover a shortfall in the event of a recession, which \$2 billion is not enough to do.

The other key concern I want to raise is that the mandate of this new board should be very narrow and confined solely to financing the program and managing the investment fund.

I think the intent of the government in subclause 5(2) of the bill is fairly clear, that the mandate is construed to be very narrow. However, at the finance committee yesterday I was quite taken aback by the Canadian Council of Chief Executives. They were saying that they wanted this new board to take on the role of doing research into the program parameters, to take on functions that are now performed by the department. In our view, all of the basic design features of the program, such as who qualifies for what period, how the premium is divided between employers and workers, should be the role of the Minister of Human Resources and Social Development. I don't believe it's the intent of the government to change that, but we suggest a specific wording that I think is important to clarify it.

So with this new board, there are questions of accountability to Parliament and about its function. I think it's extremely important to be very precise on what the mandate is.

Thank you.

• (0915)

**The Chair:** Thank you, Mr. Jackson, as well.

We're now going to move over to Mr. Desgagné and Mr. Campeau. You have five minutes between the two of you.

[*Translation*]

**Mr. Georges Campeau (Professor, Mouvement autonome et solidaire des sans-emploi (réseau québécois)):** Thank you, Mr. Chair.

I would first like to thank the committee for inviting us. I am a professor of social law at the Université du Québec à Montréal and my specialty is the Employment Insurance Act.

I have analyzed Part 7 of Bill C-50, in collaboration with the Mouvement autonome et solidaire des sans-emploi. I would not wish to go back over the circumstances that led to this bill. I think it is a response to legitimate demands, because over the last 15 years the federal government has pocketed a portion of employment insurance premiums to fund things other than the expenditures provided for in the Act, at the expense of the protection that the Act is required to provide for premium payers. We would denounce this in the strongest terms.

We would also denounce the fact that these funds have been siphoned off at the expense of protection for the jobless. This substantial surplus — \$54 billion — has been accumulated because of cuts made by the government under the Employment Insurance Act starting in the 1990s.

Is the solution what is being proposed in Bill C-50? We don't think so. I am going to summarize our position briefly, because I do not have a lot of time.

The bill provides for the creation of a Board which would be in charge of determining the premiums, and not of managing the employment insurance account. As my colleague from the CLC mentioned, that account would continue to be public and within the government's accounts. This merely determines the amount of premiums, according to very strict rules which in fact have already been in the Act since 2005. Under this bill, the Board will set the premiums and manage a reserve of \$2 billion. Because Mr. Jackson has spoken about this aspect, I will not go into it in detail.

This bill does not improve the coverage provided by the scheme, and that is ultimately its worst flaw. In addition, it ignores the \$54 billion surplus. As I said, in spite of the bill's pompous title, the Board will not provide funding. Its mandate will be very limited: it will not set premiums or manage the reserve. Ultimately, the government will be responsible for premium levels. I would also like to mention that this \$2 billion reserve will be used in the event of a recession so as not to raise premiums, but it will have to be repaid later. It should also be noted that this is an additional amount that will be charged to the account.

This bill has a number of perverse effects. The Board may not get directly or indirectly involved in the coverage provided by the scheme. The bill expressly provides that the Board may not address that question. As well, the underlying philosophy of the bill is to stress the premiums aspect. We must keep in mind that since 1990 we have been dealing with a self-funded program. Obviously, the goal is to maintain a degree of premium stability. The direct consequence of that is that the protection provided by the scheme is going to remain at substantially the same level as at present, that is, about one third of what it was in 1990. We believe that this is a glaring perverse effect, and that is why we oppose this bill.

The third perverse effect is that since 2005, the chief actuary at employment insurance has no longer been doing the accounting. Changes were made to the accounting system in 2005 so that it must now be done on an annual basis only. This means that this \$54 billion has disappeared in the accounts. The bill now takes this even farther.

• (0920)

The Board is told not to take into account the \$54 billion credit balance in the Employment Insurance Account. Mr. Jackson just talked about the dispute between the union centrals in Quebec and the Attorney General of Quebec regarding the constitutionality of this surplus. In that case, at the trial level, Judge Gascon said that regardless of the constitutionality of the manner in which the funds were diverted, the Consolidated Revenue Fund, the Canadian government, is still accountable to the Employment Insurance Account for that money.

The efforts to divert attention from the surplus are ongoing. In my opinion, that is a glaring perverse effect. In view of all of its perverse effects, we recommend that this bill be rejected because it entrenches a self-funded system, as I am fond of explaining, and most importantly because it could keep protection at current levels. As my colleague Mr. Jackson said, the Supreme Court of Canada will be hearing a case next week that will address exactly the same question as led to the creation of this Board: the government's use of premiums for other purposes. It would be wise to wait for the Supreme Court to say whether the government had the authority to do that. Afterward, we will be able to provide an opinion.

Thank You.

[English]

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

We're now going to move to Mr. Céré and Madame Caya. You have five minutes, please.

[Translation]

**Mr. Pierre Céré (Spokesperson, Conseil national des chômeurs et chômeuses):** On behalf of the Conseil national des chômeurs et des chômeuses, I would like to thank you, Mr. Chair, and all the MPs from the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities. It is not easy to finalize the list of invited speakers, but we have to thank you for this invitation.

Yesterday, Mr. Jackson and I appeared before the Standing Committee on Finance to talk about Part 7 of Bill C-50, the creation of the Canada Employment Insurance Financing Board. It was not until the end of the meeting, at about 5:15, that I understood that Bill C-50 would probably pass in its present form, without amendments, because the government is making it a confidence issue. It sometimes takes a while to understand; that is how life is.

When I got up this morning, I almost wanted to sing along with Dalida, *Paroles, paroles*. But we have done our homework all the same, Mr. Chair. We have studied Bill C-50. And in particular, we have compared it with the current employment insurance legislation and found that there are not many differences. I am going to give you a few examples.

Paragraph 66(1)(a) of the current Act, which would be slightly amended, for example to include the Financing Board, says that the premium rate should generate just enough premium revenue to cover payments that will be made. That is what the current Act has said since 2005. The intention is to balance revenue and expenditures by creating the Employment Insurance Financing Board.

Subsection 66(2) of the current law says that the annual variation in the premium rate may not exceed 0.15%. We sometimes think that it is the Financing Board that would impose that requirement. It is already the case. Subsection 66(3) says that the Governor in Council may substitute a premium rate if it considers it to be in the public interest. That is also already the case now. We could keep going with this list for quite a while.

There are not many differences. There is however one difference between the current situation and the planned establishment of the Financing Board: the creation of an independent account. That

would mean that workers' and employers' contributions remain in the fund and can no longer be siphoned off and used for other purposes. This is a significant difference.

We know that from 1995 to March 31, 2007, the government confiscated \$54.1 billion from the fund. That is the official figure. The announced establishment of the Crown corporation for the sole purpose of managing the fund and setting premium rates is not bad news in itself. The independent account is not bad news. Very little else has changed, however. Most of the provisions of the bill were already in effect and under the Commission's responsibility. It would even be possible to envisage — and I am not proposing this — the establishment of an independent account under the control of the Commission, and this would do the job. In either case, with or without the Financing Board, under the Commission's responsibility or not, this would still not solve all the problems. Some of these problems have been raised here.

What do we do about the \$54 billion that has been diverted and confiscated, when it should have been used to protect workers? The employment insurance scheme was severely cut in 1995-1996 and before, and a necessary and unavoidable improvement has to be made.

We have no illusions regarding the proposals that might be made. Section 80 provides that if the Employment Insurance Account is in deficit, the Consolidated Revenue Fund, the government, could lend it money, which the account must repay with interest. What's sauce for the goose is sauce for the gander. The government owes the Employment Insurance Account \$54 billion, and Bill C-50 should provide that the Consolidated Revenue Fund owes the Employment Insurance Account \$54.1 billion. In other words, if the Employment Insurance Account is in deficit, the government should not lend it money, it should repay it out of the \$54 billion.

The primary, crucial and unavoidable issue, and the only one that deserves to be fought for, is the improvement that must be made to the employment insurance scheme.

A few days ago, we got the Monitoring and Assessment Report. One figure struck us right off: the beneficiary-contributor ratio. The way in which the government has assessed the coverage of the employment insurance scheme since 1940 is called the beneficiary-contributor ratio. At the moment, it is 46.1. In other words, out of every 100 workers who have paid employment insurance premiums, 54 will not be entitled to benefits if they need them.

● (0925)

This is the issue! It is eminently political. I invite parliamentarians to debate it. Either everyone closes themselves off in their own truths, their own discourse, their own way of seeing things, or we try together to find a solution we can all rally round to improve the employment insurance scheme and provide the workers of this country with better protection.

Thank you, Mr. Chair.

[English]

**The Chair:** Thank you, Mr. Céré.

We'll now move to Mr. Blakely from the Building and Construction Trades Department.

Welcome, sir. You have seven minutes.

**Mr. Robert Blakely (Director, Canadian Affairs, Building and Construction Trades Department, AFL-CIO, Canadian Office):** Thank you, sir.

First, let me thank you for the report your committee put out in April, and particularly for recommendations 1.6 and 1.7, which deal with relocation and the ability for our industry, which is 12% of Canada's GDP, to be able to meet its manning needs by helping people get from place to place in the country. Thank you very much for that; we're obliged.

In principle we're not opposed to the idea of a crown corporation holding assets. In the past we've urged that as an industry, construction could run its own EI program; leave it to us and we'll run it. We are, however, opposed to the creation of the Canada Employment Insurance Financing Board. If you look at the proposed legislation, what is that board constrained to do? It sets the premium rate, invests the money, manages the money, and maintains the reserve—and it does this on a break-even basis. It isn't even clear that the \$2 billion seed money is going to be part of a reserve.

The board of directors that is to be appointed as senior executives, the seven wise men from the financial and insurance sectors, have no power over EI. They are obliged to manage the EI premium rate within fifteen one-hundredths of a percent from year to year. Why bother giving them even that power? If it's fifteen one-hundredths of a percent, it is going to take seven years for them to change the premium by 1%.

If you look at a 15-year history of what has taken place with the EI premium rate, in 1994 the EI worker premium rate was \$3.08. Today it's \$1.74. This board has no ability to change anything. They could simply have something marked out in the fifteen one-hundredths of a percent and have Vanna spin the wheel and that would be close enough.

The character of the board concerns us. We participate nationally in a number of programs with government as a management and labour consultium. Someone needs to be on the board to represent the people who are paying for this money. The seven wise men, these men of property and wealth to whom God in his infinite wisdom has confided the direction of the wealth sector, are not likely ever to be on EI. The representative nature of a board like this with a constituency is important. The seven wise men with the ability to move fifteen one-hundredths of one percent are seven wise rubber stamps.

The board is to work on a break-even basis. The Auditor General, the chief actuary, and a number of other people have told us that the amount of cash in there needs to be \$10 billion to \$15 billion as a starting point. Will any significant downturn in the economy break the bank? With the ability to ratchet the rate up at a very responsive fifteen one-hundredths of one percent, how will the EI fund ever recover?

What is left is program restraint: there isn't enough money, so we'll just pay people less. It's why, in the past, we've seen up to 70% of EI claimants being unable to access benefits.

Nowhere in this implementation bill does it suggest that the Government of Canada will guarantee payments. A number of

people would like to see an ironclad guarantee, because we've already paid it. We do not see this crown corporation as a flexible, responsive policy vehicle.

Insurance is a contract of indemnity against the happening of a specific specified event. I pay money into EI so that if I'm unemployed I can get a benefit. Without the ability of this board to be flexible and look at where the economy is at any given moment, it cannot deliver on that contract of indemnity.

● (0930)

What is going to happen with part II EI funding? We're the construction industry; we train over half of Canada's apprentices. We need to know that the money that is going into training will stay there. We need to know that the industry adjustment programs that are being funded will stay there.

Will training suffer at the expense of benefits? Will training simply not take place if the seven wise men can't determine how much money there needs to be to actually make the program work?

The EI fund grew from contributions from workers and employers. They deserve to understand that the Government of Canada will guarantee their benefits and will guarantee the part II training that is going on. People paid the money into EI not as a deficit reduction tax, not as a discretionary spending pots for a series of successive governments of Canada. People have paid money for value, and they deserve to receive value in benefits and in training. Training is the way of the future.

If you look at the neo-conservative agenda in the United States, there is a school of thought that says that if you cut off or curtail money to a program, the program withers. When the program withers, you then say, "It's not doing what it should do anyway. Why don't we just do away with this?" I don't like to think this is something that could happen here in Canada, because it's not the Canadian way, but this looks like and smells like and feels like a curtailment of the EI system that Canadians have paid for and enjoyed. We would urge you not to implement these provisions of the budget implementation process.

Those are my comments. I hopefully kept within my time.

Thank you.

● (0935)

**The Chair:** You're pretty close. Thanks, Mr. Blakely.

We're now going to move to the last group. What we decided here was that there were three or four union groups from Quebec who would present. I have Mr. Valois, Mr. Faucher, and Mr. Roy. They're going to all have 10 minutes.

I don't know how you gentlemen are going to split your time up, but I'll let you know when you have two minutes left, and we can go from there, but the three of you guys will have 10 minutes.

Welcome, and we'll start the clock.

[Translation]

**Mr. René Roy (Secretary General, Fédération des travailleurs et travailleuses du Québec):** We have 20 minutes! That will be enough to persuade the federal government to change its mind.

Thank you, Mr. Chair, and thanks to the committee for inviting us. We represent four organizations, although there is no CSQ representative with us today. The FTQ, the CSN, the CSD and the CSQ represent about a million workers in Quebec.

Because we are an umbrella group for four organizations, we have prepared a document that I am going to read to you calmly. I will then give my colleagues the floor. I thought we had only 10 minutes and I had started to make cuts here and there.

As union organizations, we are involved almost every day in supporting employees who, despite themselves, become unemployed when a plant closes down or they are laid off. In recent years, we have repeatedly called for improvements in the employment insurance scheme. The current program, which has been substantially amended since 1990, is increasingly poorly adapted to the new realities of the labour market and no longer meets the income protection needs of unemployed workers.

In Quebec, the overall rate of eligible workers has fallen from 81 percent in 1990 to fewer than 50 percent today. It is with that in mind that we have chosen to speak with one voice on behalf of all of the workers we represent, nearly a million people.

In its last budget, the government announced the creation of the Canada Employment Insurance Financing Board. The bill being considered today provides that the objects of this new Crown corporation, which is to be independent of the government, will essentially be to set the premium rate, manage amounts paid to it under the rules provided in the Employment Insurance Act, and invest its financial assets with a view to meeting its financial obligations.

In addition, section 5 clearly provides that the Board shall not have any involvement in benefits and entitlement. In other words, it has no powers in relation to the design and delivery of the program. That responsibility will remain with the government, which also retains the power to intervene and set a different premium rate from the rate set by the Board, if it deems it necessary.

In order to carry out its objects, the Board will have to establish three committees: an audit committee, an investment committee and a human resources committee. On this point, we welcome the fact that the Board will have to produce quarterly financial statements and an annual report, which will be public. The Board's operating costs will be paid out of revenue in the employment insurance account and will thus be paid entirely by premium payers.

To begin with, we would point out that creating an Employment Insurance Financing Board as a Crown corporation, independent of the government, is certainly a step in the right direction. We have to applaud the government's commitment to creating a separate account and guaranteeing that premiums will be used exclusively for the employment insurance program. However, we believe that there are several important questions that remain unanswered.

Before we comment on the objects and purposes of the Employment Insurance Financing Board, we would like to make a few recommendations regarding the governance structure of the Board.

Under Bill C-50, the Employment Insurance Financing Board will report to the Minister of Human Resources and Social Development. Its board of directors will be composed of seven people, including the chairperson. Those people will be appointed by Governor in Council, on the recommendation of the Minister, from a list established by a nominating committee. The nominating committee is to be composed of a chairperson appointed by the Minister and the two members of the Employment Insurance Commission, the Commissioner for Employers and the Commissioner for Workers.

The Bill does not specify whether there must be formal consultations with employer and union organizations in preparing the list. We are in agreement with the financial and management qualifications. However, the bill does not mention that the board of directors must be representative in terms of premium payers.

Is it necessary to point out that the program is funded exclusively by the premiums paid by employers and workers? They should certainly have a say in the management of the employment insurance account. Bill C-50 therefore needs to be amended to guarantee fair representation for those who pay premiums into the scheme in the governance structure.

• (0940)

We are therefore asking that the board of directors be composed of a large enough, fixed and equal number of representatives of employer and union associations, and that they be chosen from lists supplied by their most representative respective associations.

The bill stipulates that the Board is to set the premium rate under section 66 of the Employment Insurance Act. This amounts to transferring a responsibility that is currently assigned to the Canada Employment Insurance Commission. We are not happy to see the government taking advantage of this transfer to put an end to the obligation to receive submissions from the public when rates are set. Even though consultation often took place too late in the process and seldom produced useful results, it nonetheless gave us an opportunity to state our views concerning the premium rate.

That being said, the Board will start fixing the rate in 2009, but will have to follow essentially the same rules as have been used for setting the premium rate for the last three years. We have had occasion to comment on the flaws in the employment insurance premium setting process. We can only reiterate our disappointment that the government is persisting in taking an equilibrium approach. That principle requires that the actuary, who will now be appointed by the board of directors on its own authority, will have to determine a premium rate that will generate just enough revenue to cover the anticipated costs of the program for the next year, without regard to the current balance in the employment insurance account or future interest on that balance.

I am going to ask Roger Valois to continue.

**Mr. Roger Valois (Vice President, Executive Committee, Confédération des syndicats nationaux):** I am going to follow up on what my colleague was saying. There are several points in the bill that we find somewhat bizarre. Pierre Céré spoke a little about them earlier. The question of loans we can be made is somewhat odd. We are going to be lent money that has been stolen from us and on top of that we will be charged interest. We find that somewhat surprising, as we do the dirty hands theory that the government is trying to develop. When it introduced Bill C-50, it said it had dirtied its hands when it took the surplus. It wants to use this bill to wash its hands and take the position that the surplus now belongs to it. We do not agree with this.

We recognize one good thing about Bill C-50, which is that there will be a board that will receive premiums and will prevent the government from blithely dipping into the account. That is the only thing positive we see. The question of the 15¢ has already been settled. Mr. Céré was most eloquent on that point. We did not need Bill C-50 to implement what was already in the Act.

The fact that the board being established will not even have the power to make recommendations is what we find most shocking. It will not even be able to recommend anything to the government at all. We will be able to do it by demonstrating. In fact, we have done that. We are saying that there has been enough stealing from the account. The board that is to be created should at least have the power to recommend things to the government. The government is telling us, is telling premium payers, the employers and employees who pay the premiums, that it will reduce premiums to appease us. That's terrific, for employees. That will come to \$30 a year. Thirty dollars a year, that's something you can live on, when you're on unemployment! When 10¢ is paid in premiums, the account has surpluses. If we give the 10¢ a week back to employees, they won't be able to buy anything with it at the end of the year!

The is smugly telling us that it is going to reduce the premium rate and give a bit back to the people who pay the premiums, the employers and employees. That makes no sense. That is not the reason for creating a board, I hope. We thought the board would at least have the power to make recommendations to the government and stop the stealing from the account. We start in the Supreme Court on the 13th. We and the FTQ and the aluminum union will be arguing that our money has been stolen.

The board that is being created is a step forward, because at least we are saying that premiums will be channelled and the government will be prevented from getting its hands on them. But we are concerned about this \$2 billion. Once that amount is exceeded, what will they do with the money?

• (0945)

**Mr. Claude Faucher (Vice-President, Centrale des syndicats démocratiques):** Are there 30 seconds left?

[English]

**The Chair:** You have 30 seconds left.

[Translation]

**Mr. Claude Faucher:** That's good.

I think, first, that the \$54.1 billion surplus should be used to improve the scheme, the eligibility criteria and the benefits paid to

people who are unemployed. We should also take this opportunity to create a new program, an income support program for older workers who are in great need of it. The surplus should also be used as a way to stabilize the premium rate. There is currently a crisis in the forestry industry, and a crisis in the manufacturing industry is looming on the horizon. We will be needing this money.

[English]

**The Chair:** Thank you, gentlemen, and thank you for keeping that within the time.

I want to clarify a point for Mr. Blakely. As I have discussed with my researcher, although it's expressed as a percentage, it really works out to be about 15¢ per 100 in terms of the way that is represented.

**Mr. Robert Blakely:** If it read that way, I wouldn't have a problem with it. It says "increase the premium rate". It doesn't say "the rate of premium".

**The Chair:** We may have to change the way that works, but—

**Mr. Robert Blakely:** It doesn't give me heartburn if it's 15¢ per 100, but 0.06¢—

**The Chair:** That would be a problem.

**Mr. Robert Blakely:** —gives me heartburn.

**The Chair:** Anyway, we may look at the way that's written in the future.

We're going to start our first round with Ms. Sgro. You have seven minutes.

**Hon. Judy Sgro (York West, Lib.):** Thank you very much, Mr. Chair.

Welcome. Thank you all very much for coming and helping us to move forward on establishing this crown corporation.

I have a question for the chair. When we have completed all our witnesses, have you already lined up an opportunity for the minister to come back and answer questions before we submit a report?

**The Chair:** We have set aside days. We have not invited the minister yet, and that would depend on what the committee decides to do. We've set the days aside to complete the report, and certainly as we have some conversation around the room, we can determine when and if we should invite him back.

**Hon. Judy Sgro:** I think it's very important that we have the minister back. A lot of questions are being raised that I don't think any of us around the table can answer, frankly. It would be helpful to move a report forward if we had some answers.

**The Chair:** I think there is some indication that he would probably be interested, but we could.... Yes, okay.

**Hon. Judy Sgro:** I'd really like it if we could move that forward, because otherwise the report may have a lot of things in it that aren't necessary. If we can get some answers, we can be reassured as a committee by also being able to pass on the information to the witnesses so that some of their concerns may be allayed.

All current and past governments have spent a huge amount of money on training programs, pilot projects, and so on to help people who find themselves unemployed. The concern I have is the training and so on. We keep hearing about all this money, but frankly it's money that was paid in premiums that has been reinvested in Canadians, providing them job opportunities, training, and so on. Do you think the contributions collected from employment insurance contributors should be used exclusively to go back into paying benefits or should they be used to help in the training programs that are required by many Canadians?

• (0950)

**Mr. Robert Blakely:** I support using the money for benefits and for training. If you look at the promises held out in part II of the act and you look at the use of money for training—for apprentices, other forms of training programs, and industrial adjustment—the five vehicles that were set out in that act are essential to growing a replacement for the baby boom generation here in Canada. We're not going to have people to design buildings and build them if we don't replace them now.

**Hon. Judy Sgro:** Does anyone else have a comment on that?

**The Chair:** Mr. Jackson.

**Mr. Andrew Jackson:** I absolutely agree with what was said. The concern here is that if we enter an economic downturn and the premium revenues are not generating enough revenue to pay for benefits and the approved training, what is going to happen?

If you go to proposed subsection 80(1) of this bill, the way I read it, it says that if expenditures under the EI program—that would be for regular benefits, parental benefits, and training, part II expenditures—exceed the revenues, the minister “may authorize” an advance to the new board to pay for the program. I think that is a dilution of the current understanding, which is that the EI statute provides eligibility for benefits. It provides for active measures. And that “may” should read “shall”, especially with a \$54 billion surplus.

**Mr. Robert Blakely:** One of those active measures is the fact that every apprentice or trainee in an approved program gets paid EI to go to school, because these learners are doing it in short sharp periods, usually in the middle of their work season.

**Hon. Judy Sgro:** You indicated your concern with whether it was necessary to set up a separate crown corporation. We've been hearing this argument about EI for a very long time. The government has chosen to go this route, establishing a crown corporation.

How would you like to have seen it? If you're concerned about a crown corporation and the administration costs that we'll suddenly be dealing with, having to pay the payroll for seven more people who are going to have to be paid and all that is involved with a crown corporation, what would you like to have seen done in order to be able to deal with this whole continued discussion about a \$54 billion surplus? How would you like the government to handle that?

**The Chair:** Mr. Campeau.

[*Translation*]

**Mr. Georges Campeau:** I suggest, for the reasons that have been stated, that it be clearly stated in the Act, maybe in a preamble, that the Parliament of Canada has a constitutional obligation to the jobless and to workers. As we said earlier, this is a social insurance scheme. The premiums collected under the employment insurance

program have to be used exclusively for the purposes set out in the Act.

This case has taken 15 or 16 years; the Supreme Court is going to decide the issue next week. The government's jurisdiction in relation to employment insurance comes from a constitutional amendment that goes back to 1940. At that time, the provinces agreed to give the federal government jurisdiction over the unemployment insurance scheme.

Does using premiums for other purposes, at the expense of the protection that the scheme is supposed to provide for the people who pay into it, meet Parliament's constitutional obligation in relation to employment insurance?

For the reasons I stated earlier, in particular the perverse effect, this has to be clearly included in the preamble to the Act, and the wording has to be based on that first principle.

• (0955)

[*English*]

**The Chair:** Thanks.

**Hon. Judy Sgro:** Thank you.

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

I know Mr. Valois wanted to make a quick comment and I saw Mr. Céré's hand, so maybe a couple of quick comments. We'll start with Mr. Valois and then wrap it up and move on to the next presenter.

[*Translation*]

**Mr. Roger Valois:** The discussion we are having at present would not have taken place if the employment insurance scheme had done its job. The primary purpose was to pay unemployed people properly when they are unemployed. If the employment insurance fund had done its job, the discussions we are having about the surplus and what it should be used for might not have taken place. We have to improve the scheme and ensure that the unemployed... That is what we will be starting to argue on the 13th. I will not argue to the contrary this morning.

We are going to file all the letters and discussions that took place among Mr. Duplessis, Mr. Mackenzie King and Mr. Bennett with the Supreme Court. Today, we have surpluses because the fund did not do its job. If there had been no surplus, we would not be talking about what is being done with it. They are stealing from the unemployed, they are putting money in the fund and they don't want to give them any. Then they wonder what to do with the surpluses. This is a question of philosophy. The fund has to be used for the unemployed. That is the purpose for which it was created. It isn't complicated. If we had no surplus, we would not be talking about it. The surpluses have had a perverse effect because the unemployed did not get what was coming to them when they needed it. That is the problem.

[*English*]

**The Chair:** Mr. Céré, a quick comment.

We're moving very quickly around here, I understand that.

[*Translation*]

**Mr. Pierre Céré:** I am going to start from a little farther.

There are some political experiences in the world that sometimes teach us things. When we were writing our submission, one of the things we had in mind was a great politician, Nelson Mandela, who taught us that reconciliation has a price. The price is truth. Only when the truth has been determined can there be reconciliation.

What we think is that our institutions, our laws and our peoples, in Canada, must never forget what can be called one of the great Canadian financial scandals of the 20th century. Billions of dollars in premiums paid into the employment insurance scheme have been siphoned off. The Consolidated Revenue Fund has a debt of \$54.1 billion that it owes to the Employment Insurance Account. That has to be included in the Act. We have to continue to carry that figure on the books for as long as it has not been paid back.

[English]

**The Chair:** Thank you, Mr. Céré.

Mr. Lessard.

[Translation]

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

I would also like to thank the organizations who have testified and assure them that their testimony will be very useful as we continue our work.

For the information of our guests, this committee unanimously recommended, in December 2004, that the amounts that had been siphoned out of the fund be returned — and it was indeed unanimous — at the rate of \$1.5 billion per year, and that that amount be considered to be a loan on the same basis as money borrowed by the Canadian government on the financial market, that is, at the appropriate interest rates.

I am still persuaded that this is the approach to take in order to do justice to the people to whom that money belongs. Since we started looking at this question, there has been a discordant note in the testimony. Overall, the witnesses have been relatively reserved and critical of the Canada Employment Insurance Financing Board. You have stated a number of opinions, but there is one that is quite pointed.

MASSE said that the bill must not be passed. Apart from the philosophical question, in practical terms, I would like to know why your comment is so pointed. We understand that the other organizations are in favour of the bill, because in their minds it represents a step forward. A separate account is being created that will be used, from now on, only for the purposes of employment insurance, with the exception, of course, of the famous reserve, which will continue to be part of the Consolidated Revenue Fund, and will have to be used strictly for reducing premiums. We agree with you on that and we will come back to it.

Apart from the philosophical question, why do you not consider creating an independent account that will be used only for employment insurance to be a good thing?

• (1000)

**Mr. Georges Campeau:** We completely agree on the need to improve the scheme, while taking the surplus into account.

What is the government proposing? These two items are being kept completely separate. It says there will be a board. I know that this is a very technical subject, but there seems to be a lot of confusion between the board's bank account and the employment insurance account. It has to be very clear that the employment insurance account will continue to receive premiums and manage benefits. What will the board's role be? It is completely separate from coverage. In fact, that is the criticism that most people have voiced. There is no desire to improve the scheme; the board is being kept completely separate, as part of a self-financing scheme.

Financing and coverage are achieved out of premiums and benefits. But the mechanism freezes it, that is, there will be no new inputs. What is going to be done with the \$54.1 billion surplus? As far as I can understand, the government doesn't want to talk about that now.

**Mr. Yves Lessard:** Everyone agrees, with the exception of one discordant voice, that the \$54 billion has to be put back. No one has said that this was an end of the \$54 billion; on the contrary, they are saying they are going to continue to fight for it.

The Commission is going to ensure that benefits are in compliance with the department's decisions, and the board will manage premiums. We are in agreement there. This is clear, and the Minister came here to say it again. He also said clearly that he wanted to use the surpluses to reduce premiums.

Would your position be the same if responsibility for the independent account were given to the Commission?

**Mr. Georges Campeau:** I am having some difficulty understanding what difference there would be. In fact, Mr. Céré talked about the legislation that has been in place since 2005. That could be achieved under the current legislation, as long as the government made a firm commitment regarding the Employment Insurance Account.

There is some sort of confusion between the board's account and the Employment Insurance Account. It isn't the same thing.

**Mr. Yves Lessard:** But...

**Mr. Georges Campeau:** Creating this board, with no commitment to refinance the scheme, is going to lock the scheme in at its present level. I read in the papers that at the committee's last meeting, the Conseil du patronat called for a premium reduction. What will the consequences of that be?

**Mr. Yves Lessard:** I am going to restate my question. Apart from the mechanics, do you agree with the idea of an independent account?

**Mr. Georges Campeau:** On the actual fundamentals, I don't think it is necessary within the framework of the employment insurance scheme.

**Mr. Yves Lessard:** You prefer for the scheme to be administered by the Consolidated Revenue Fund.

**Mr. Georges Campeau:** Yes, that's right

**Mr. Yves Lessard:** Okay.

**Mr. Georges Campeau:** With serious mechanisms.

**Mr. Yves Lessard:** I understand.

**Mr. Georges Campeau:** Yes.

**Mr. Yves Lessard:** Serious mechanisms are supposed to be serious. You see that there continues to be meddling in it. They want to make it legal to do something that is improper. You are a legal professional; I don't want to argue with you. I simply want to understand the meaning of what you are saying. We are looking at a situation where the government has siphoned off funds and wants to legalize that, which is entirely wrong and improper.

**Mr. Georges Campeau:** Entirely.

**Mr. Yves Lessard:** They have to put back the \$54 billion.

[English]

**The Chair:** Hold on a second. We have a point of order.

Mr. Lake.

**Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC):** I just want to be clear. Mr. Lessard says we have a government that did this and is now doing this. I want to be clear that we're talking about two different governments. We're talking about one government, a Liberal government, that siphoned off \$54 billion. We're now talking about a different government in terms of this legislation. I just want to be clear on that.

**The Chair:** Sure.

Go ahead, Mr. Lessard.

[Translation]

**Mr. Yves Lessard:** Mr. Chair, that is not a point of order. Both governments are doing the same thing. The Minister told us he had no intention of putting the \$54 billion back into the fund. He acknowledged that this should not have happened, but he will not fix it. Well, the person holding the bag is as guilty as the person who filled it up. We agree on that. That is not a point of order.

Do I still have time for questions?

•(1005)

[English]

**The Chair:** That's all the time we have, and I added your seconds back on for the point of order as well.

[Translation]

**Mr. Yves Lessard:** Did you take what he said into account?

[English]

**The Chair:** I most certainly did.

[Translation]

**Mr. Yves Lessard:** In that case, I still have time.

[English]

**The Chair:** We're going to move to Madame Savoie, and you have seven minutes.

[Translation]

**Ms. Denise Savoie (Victoria, NDP):** Thank you, and thank you all for your presentations.

I am relieved to see that people like you are thinking this much about these things. Workers need this fund and they can't think about the fact that they have been robbed, that they are no longer eligible or no longer have the benefits they are entitled to.

In Parliament, a lot was said about the sponsorship scandal, which involved a few million dollars. There is nothing being said in the newspapers about this \$54 billion. This is a genuine scandal.

Ms. Sgro said that money was transferred to be used for training, but there is no accountability. How much was used for training? We don't know, not since the changes that were made. The government transfers huge amounts for training, to private institutions, increasingly. This is no longer necessarily the kind of training Mr. Blakely was talking about.

It seems that the Conservative government is not accountable for the money it transfers to the provinces for training, and that concerns me. In some cases, we don't know whether the money is really being spent for the unemployed. In my province, British Columbia, for example, the money is going to a private American company that provides training for unemployed people. We don't know what the results are. This money belongs to workers and it is being dissipated and we don't really know how. The tale of unemployment insurance and training is a complicated one.

How could we make rules to provide for accountability and responsibility for the money that is spent on training and the money that is given to unemployed people when they don't have jobs?

**Mr. René Roy:** I am going to answer for Quebec. Under the Canada-Quebec agreement on worker training, the employment insurance fund transfers \$597 million dollars to Emploi-Québec.

Emploi-Québec is managed by a minister, a deputy minister and a commission of partners. Twenty-four partners, who include workers, employers and community members, sit on the commission. There is very good accounting for training. Accountability lies directly with the commission of partners, the partners themselves and the deputy minister. A report is submitted to the National Assembly every year.

In Quebec, there is very adequate accountability for the money that is transferred for training under the Canada-Quebec agreement.

**Ms. Denise Savoie:** Has that money been taken out of the \$54 billion? Is it being used properly? Should that money be considered separately from the \$54 billion? I see Mr. Campeau shaking his head.

•(1010)

**Mr. René Roy:** The money that is being used at present comes from the regular employment insurance fund and not the \$54 billion, which was accumulated outside the spending by the fund. The money transferred under the Canada-Quebec agreement is part of the operating expenses of the employment insurance fund.

**Ms. Denise Savoie:** It is not part of the surplus?

**Mr. René Roy:** No.

**Mr. Georges Campeau:** It can't be part of the surplus. Until 1990, all money paid out under agreements between the provinces and the federal government was taken out of the federal government's contribution to the fund.

The federal government stopped making those contributions. Starting in 1996, it entered into agreements with Quebec and the other Canadian provinces. The provinces are accountable to the federal government, as Mr. Roy explained. Obviously, that has nothing to do with the \$54 billion.

I would like to clarify something regarding the board. The role of the board, as set out in the bill, is simply to manage the premium rate. It has absolutely no role to play in relation to these questions. I want that to be clear.

One difficulty is created. The premium rate for benefits is going to be managed, but the amounts reserved for Part II of the Act, which is called active measures, are based on a percentage of total insurable earnings in Canada.

Is there a risk of these two concepts being in conflict at some point? I don't know, but this is might be anticipated.

[English]

**The Chair:** Mr. Jackson.

**Mr. Andrew Jackson:** It's my understanding that the act empowers the minister to spend a certain amount of money from the EI account for active measures under part II. As Mr. Roy stated, when those funds are transferred to the provinces, it's important to have in place effective provincial institutions—business, labour, labour market partners forums—to ensure that the money is appropriately spent. I agree that there should be accountability.

This year, I believe the Government of Canada is underspending by about \$1 billion their commitment to active measures. We're spending less than the maximum authorized.

**Ms. Denise Savoie:** For training.

**Mr. Andrew Jackson:** For training under active measures.

**Ms. Denise Savoie:** By \$1 billion.

**Mr. Andrew Jackson:** When we had the premium rate-setting mechanism, the view was being expressed, from the employer side as well, that there was a need to expand those active measures, given skill shortages, etc.

One concern about this new mechanism goes back to Ms. Sgro's point: if we were to enter into a recession, there would be a temptation on the part of the government to underspend or reduce the allocation for active measures. It's not driven by statute. Essentially, the government determines it. It's discretionary. Parts of it are self-generating, such as funds for apprenticeship. There is a legitimate concern that if we entered a recession the part not driven by statute would be reduced.

**The Chair:** Thank you.

Thank you, Madame Savoie.

That's all the time we have for this round. We'll now move to Ms. Yelich. You have seven minutes.

**Mrs. Lynne Yelich (Blackstrap, CPC):** I'll only make a few comments. I have to go to the House, so Jacques will be sharing my time.

I want to get the focus back to where there is no \$54 billion. We know that. That is why this new EI account is being formed, because we want the transparency and we want the accountability. All of you have said you would like to see that.

As to the training, I think no government—no future government or the present government—overlooks how important education and training is. It is not something we can ignore. That's why there was a

big investment target initiative for older workers, for example, and that was huge. There have been many programs and increases in funding to the provinces, by \$39 billion in this budget over seven years, since we got into government. There has been lots of money put into training programs. So to talk about the benefits and programs, you are taking attention away from what we should be talking about, which is what the fund is designed to do. That is transparency and accountability, and the \$2 billion is there to make sure premium rates are set.

I don't know if it can be any clearer, and I'm not sure why we keep going back to the \$54 billion that's not there. There is \$2 billion reserved that has been accumulated since this government became the new government, so I'm thinking that if you can simply look at the legislation for what it is, not what you think should be in it or from the past \$54 billion, I think you could be more help to us in seeing what impact it has.

The benefits will not be touched. Nobody is going to take training programs away. Times have changed. It's unprecedented. We're at a time where there are major labour shortages. We do know that with productivity, with competitiveness, with the international economy going as it is, we have to make sure our people—the older workers, our disabled, and our aboriginal programs—are all targeted to make sure we get them employed.

If anything, I wish you could think more about that and help us with how you think it can be more accountable and more transparent, and remember that the purview is under the parliamentarians and the minister, which is why you're here today.

I have no questions, except that if you want to comment on transparency and accountability I would be very pleased to hear what you have to say about that, whether these are the proper steps to make sure that accountability and transparency are a fundamental principle of this legislation.

•(1015)

**The Chair:** Mr. Céré, did you want to make a quick comment?

[Translation]

**Mr. Pierre Céré:** Yes.

I understood that there seemed to be some denial of the \$54 billion surplus. I have in front of me the Monitoring and Assessment Report submitted to Mr. Solberg by the Employment Insurance commission. It says: "Including notional interest of \$2.0 billion, the notional cumulative surplus in the EI Account was reported to be \$54.1 billion at March 31, 2007." Those are the official figures.

I know that Mr. Solberg appeared before this committee recently. What I understood, from listening to the sitting, is that he acknowledged the accumulated surplus and that they had been confiscated and siphoned off. He concluded his presentation by saying that this was not going to happen again. I am therefore somewhat surprised that the government could claim that this \$54 billion did not really exist.

The Conservative Party was elected on January 30, 2006, if memory serves me. From April 1, 2006, to March 31, 2007, the Employment Insurance Account produced a surplus of \$3 billion. Where is that \$3 billion?

[English]

**The Chair:** Mr. Gourde, did you have some questions?

Mr. Jackson.

**Mr. Andrew Jackson:** Very quickly, around the transparency and accountability issues, I'm sensitive to the point being made that it has been most useful to speak to how the legislation reflects the intent of the government.

I think there was a set of motivations in developing this legislation that ought to be commended in terms of the past. I think the legislation reflects an extremely strong role by the Department of Finance moving forward, even over this new and so-called independent fund and commission.

In terms of what this board does, the economic assumptions that they're allowed to take into account in setting the premium rate are those from the Department of Finance. They're not really allowed an independent role around judging the economic situation we're in.

As I said, in proposed subsection 80(1)... I mean, you stated—and you know that Minister Flaherty has said this as well—the Government of Canada stands there to backstop the EI account, so why do we have a bill that says it “may” backstop the EI account? It's basically because the Department of Finance is allergic to having “shall” in a statute that would drive spending.

If we're talking about transparency, to the extent that I believe the government's intentions are what they are, I don't think they're fully reflected in this legislation. I hope the committee would satisfy itself on some of those concerns that are being raised. Is the government really backstopping this new account? How independent a role does it really have?

•(1020)

**The Chair:** Mr. Gourde, do you want us to pick you up in the next round? We could do that.

Mr. Blakely. We are almost out of time, so you may make a quick comment.

**Mr. Robert Blakely:** I'll be really brief.

Your idea, your comments on transparency, do we want to see that? The short answer is yes.

You've said there won't be any cuts; everybody knows we have a labour shortage. I'd really like to believe that.

I'm a literate person. I read this bill from cover to cover. I read proposed section 80; I read some of the others. It doesn't say that they're going to maintain some of those things that we think are important. It doesn't say that the Government of Canada is going to backstop this stuff. It doesn't say that the seven wise men will collect enough money to make sure part II training is going to be continued.

I agree with you on the \$54 billion to this extent. There is no money bin. Mr. Flaherty is not diving in it like Scrooge McDuck. It's been spent by your government and predecessor governments. We've used it for a number of purposes. There is no pot of money that you're sitting on that could magically appear.

But in terms of transparency, I don't read this bill as a transparency bill. It's opaque to me.

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

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

Mr. Malhi, five minutes.

**Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.):** Thank you.

Mr. Blakely and Mr. Roy, according to your opinion this seven-member board will be just like a rubber stamp. The board is not going to invest any money. It means the board will be useless. Then why is the government going to create this board? Don't you think this is a waste of the taxpayers' money?

I want an answer from all the representatives of all the organizations who are present here as witnesses.

**The Chair:** Okay, sir. Where do you want to start?

Mr. Valois, if you want to start with an answer on that, we'll just move around.

[Translation]

**Mr. Roger Valois:** The board itself presents a problem. It is going to manage premiums, but it will have no input on the question of how those premiums are accumulated in the Employment Insurance Account. That is a problem in itself. We also don't know who will be sitting on its board of directors.

I did not understand the question properly.

[English]

**The Chair:** Mr. Faucher.

We'll just try to keep the comments quick. I believe Mr. Malhi wanted to hear from everybody, and if I count all the members around the room, this could take a little bit.

[Translation]

**Mr. Claude Faucher:** I am not an expert on the question of creating a separate board. However, it has been pointed out that money has been virtually siphoned off, money from the premiums paid by employers and workers has been looted. This is totally unacceptable.

We had proposed that an independent employment insurance fund be created. However, as it has been set up and presented in the bill, it is certainly missing some pieces, and it seems to us to be completely pointless. If we don't have the tools, if there are no representatives of employers and workers at the board of directors' table to determine needs, this presents a problem. In that sense, the fund is too imperfect for us to approve it as it stands.

•(1025)

[English]

**The Chair:** Mr. Roy.

[*Translation*]

**Mr. René Roy:** To answer your question directly, sir, I would say no. It is not a waste of money to create this board; what it is, is a step in the right direction. There are a lot of things in this that need improvement. We have been battling the federal government on this for 15 years, to change what we have now. The status quo is not something we can live with. So let's take a step in some direction!

We want to improve Bill C-50 to have some power. But as my colleagues said, this board has to have something to do, there have to be employer and union representatives. If we start with that, we intend to fight to improve it, so that one day we will be managing the employment insurance fund together with employers. At present, we will take what improvements we can get.

To answer the member who spoke before, I would say that since the Conservative government has been in power at the federal level, the accumulated surplus isn't \$2 billion, it is \$5 billion or even a little more.

[*English*]

**The Chair:** Mr. Blakely.

**Mr. Robert Blakely:** Would I like it to be in a separate bank account? The answer is yes. That may reduce the tendency for people to see it as a discretionary spending pot of money.

Do we need to have this board? In its present form, no. I agree with Mr. Roy that you could set it up so that business and labour could actually run this effectively. As under the current construct, run it with the government, with a separate bank account, without the ability to reach across and borrow a few dollars now and then and have it disappear.

**The Chair:** Mr. Jackson.

**Mr. Andrew Jackson:** It's our view that ownership of the program appropriately rests with the federal government, with input from business and labour. So the EI Commission should be playing a role. And it's also our view that there should be a separate financial account for the EI program.

We have a sort of weird hybrid here, actually, because the new EI fund isn't going to be run by those responsible for the program, and it has a very narrow mandate. When you read this bill, you see we have page after page about nominating committees, and there's a real worry it's going to be a very busy, bureaucratic, potentially expensive structure.

I'm told by officials, and I think this is the case, that having chosen that legal form of a crown corporation, then there's a whole lot of things that follow from it that you have to do. Why is it set up as a crown corporation? It's so that it remains integrated with the public accounts.

I'll conclude by saying that the key point is a separate fund so that funds collected for EI purposes go to EI purposes. But I don't believe we need this huge bureaucratic structure to manage it.

**The Chair:** Okay, I apologize. That's all the time we have. We'll start our next round, if there are any questions coming the other way. We're over time here.

We're now going to move to Mr. Lake. You have five minute, sir.

**Mr. Mike Lake:** First, the \$54 billion seems to be a big point of contention. I agree with most of the witnesses that it was wrong for the former Liberal government to collect the \$54 billion. It never should have been collected. I have a copy of *Hansard* here from 2001. A member from the Bloc was questioning Finance Minister Paul Martin about this. Mr. Martin said:

Mr. Speaker, what we are doing is following the auditor general's 1986 recommendation that we include the revenue from EI premiums in our consolidated revenue fund. That is what we did.

Later on he was asked about it again. He sums up their position on this at the time:

Mr. Speaker, it is very clear, this is an accounting practice. It has been discussed on many occasions in the House. I remember giving this same answer to the member from Roberval at least three or four years ago. It does not exist. It is an accounting practice. The money comes in like other revenue, and the expenditures go out like other expenditures.

I think that was wrong, and I think most of you probably feel the same way. The reality is that the money has been spent. It's not a surplus sitting in an account somewhere. It's money that's been spent. Ultimately, if parties such as the NDP and the Bloc want to run on an election platform that would increase the debt by \$54 billion or increase taxes to cover \$4 billion—I think that is the number Mr. Lessard was using—they can run on that platform.

Myself, I was elected in 2006. Before that I probably paid as much into EI in the years of the previous Liberal government as I could possibly have paid. As a payer who will never see that money back, it ticks me off. It does. I'll never see that money back.

• (1030)

[*Translation*]

**Mr. Yves Lessard:** A point of order, Mr. Chair. We are not here to hear campaign arguments. We are here out of respect for these people who have made the effort to travel here and give their opinion about something that is extremely important. Workers have been defrauded out of \$54 billion and someone is pretending that the purpose of the work we are doing is to prepare...

[*English*]

**The Chair:** Okay, that's—

[*Translation*]

**Mr. Yves Lessard:** ... for the election campaign, Mr. Chair. This is a real point of order. What he just said was a low blow, for no other reason than to prevent me from finishing asking my question.

[*English*]

**The Chair:** Okay, you guys are even now.

So we'll go back to Mr. Lake.

**Mr. Mike Lake:** It's actually not about that. It's about what this bill is and what it isn't, what can be done and what can't be done. Mr. Lessard suggested that \$4 billion per year should be used and spent to make up for the \$54 billion that had been spent by the previous Liberal government.

What I'm trying to get across is that I don't believe the answer to this problem is to penalize the taxpayer by jacking up taxes by \$4 billion a year. I don't believe that's the answer. That money has been spent. There is nothing we can do about it—

[Translation]

**Mr. Yves Lessard:** Mr. Chair...

[English]

**Mr. Mike Lake:** —other than be glad that we've now changed governments.

[Translation]

**Mr. Yves Lessard:** I have never said that! I have never talked about going and collecting \$4 billion from taxpayers. We have never said that. Why is he saying that, Mr. Chair? I repeat: out of respect for the organizations here, we have to refrain from playing this game. We have to listen to what they have to say to us and ask them about what they have told us, Mr. Chair, and not try to interpret and state falsehoods to try to influence the opinion of the people here. Mr. Chair, I am not playing that and I would like to see these games not be permitted here.

[English]

**The Chair:** Thank you, Mr. Lessard. I have a feeling he won't influence these people at all.

Anyway, go ahead, Mr. Lake.

**Hon. Judy Sgro:** His time must be just about up, just with the question.

**Mr. Mike Lake:** I would think that my time has been stopped through most of this.

The one thing I do want to say, actually, is that it's fair to say we may have differences in the way we view the EI program and the benefits and the way the program should be run—maybe, I'm not sure—but the reality is that this bill has nothing to do with those differences. All this bill has to do with is transparency and accountability.

I've said before that if the Bloc ever came to be the federal government—I'm not sure how that would happen—or if the NDP were the federal government, they could make changes to programs and benefits that would increase them as much as they would like to increase them, and this bill would have no impact on their ability to do that. What this bill does is say that money collected for EI should be spent on EI, plain and simple. It shouldn't be spent on things like the gun registry, or the sponsorship program, or a variety of government programs that might be there; it should be spent on EI. It should be spent on workers and helping workers.

Mr. Blakely, I just want to clarify something, because you suggested in your last statement, in answer to a question, that there was no wording about a backstop. But in clause 131 it says:

If amounts credited to the Employment Insurance Account after December 31, 2008, and the amount of the Board's reserve referred to in subsection 66(4), are not sufficient for the payment of amounts authorized to be charged to that Account after that day, the Minister of Finance, when requested by the Minister, may authorize the advance to the Account from the Consolidated Revenue Fund of an amount sufficient to make the payment.

**Hon. Judy Sgro:** It says “may”.

**Mr. Mike Lake:** It's interesting that one of the Liberal members is trying to correct me in talking about the word “may”, but I'll point out that this actually follows the same wording as is in the act now, so it's no change to the act.

There is a backstop. The fact is that if we have this reserve of \$2 billion, if for some reason there's a deficit of more than \$2 billion, under this legislation the government will cover that and workers will not be penalized. There may be a slight increase in rates to cover circumstances as need be, and there might be a slight falling in rates if we're collecting more money than we need to collect, based on mathematical formulas that are pretty much exactly the same as they are right now.

So Mr. Blakely, if you could, I'd like to have you comment on that. Does that allay a little bit of your concern?

• (1035)

**The Chair:** The time is up, but I'll give you the chance, Mr. Blakely, to answer the question.

**Mr. Robert Blakely:** One of the first things I learned in law school was the canons of construction: “may” is discretionary; “shall” is mandatory. There are very few circumstances where “may” becomes “shall” in statutory interpretation.

If it said that the Government of Canada would backstop it, would it allay my fears? Yes. The fact that someone has the discretion to do it does not allay my fears, and I'm obliged to you for pointing that out.

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

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

[Translation]

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

Over the years, there has been a change in what unemployment insurance is called: it has become employment insurance. It has always seemed to me that this was no mere trifling change, and that it was meant to reflect a change in the culture of how the fund is used. I would like to know your opinion on that. It seems to me, and correct me if I am wrong, that this is in fact what has happened. The fund has been used more and we have been told that it would be used for developing and promoting employment, particularly for training.

Other people who have spoken have also told us, here, that it should not be used as a form of social security, for example for parental leave or things like that. They added that distinctions had to be made and we had to go back to calling it “unemployment insurance”, so that it would genuinely be used for unemployment insurance.

What do you think? Is this a direction we should be moving in?

**Mr. Roger Valois:** I want to try to answer your question. Government after government in Ottawa has talked about cutting taxes. Well, there are other ways of taxing us. The money in the employment insurance fund is being used for what tax money could be used for. Let's stop trying to cut taxes and taking money out of the employment insurance fund. That is what the present government is doing and what other governments have done in the past. Saying that you're going to cut taxes always works in elections; so they took the money out of the fund next door. If we used tax money for social programs or labour force training, we would stop looting the employment insurance fund. If the employment insurance fund were used only for unemployment, and taxes were used to do what the government is supposed to do with our taxes, we would not be here shouting and listening to all this nonsense.

A little earlier, I understood something. When I watch question period on television, I wonder why people are shouting. I have seen why now. I have refrained from shouting, I don't want to be saying just anything. We have been on this case forever. They dip into the fund instead of doing what they should be doing with taxes, and they tell people they are going to cut their taxes. I understand! They have money coming out their ears, thanks to the fund! The \$54.1 billion, that is \$54,000 million dollars. When we change how we describe the figure, it catches one's attention, doesn't it?

We agree completely with having maternity leave, child care centres, etc., we want them. But once they start being paid for out of a fund from which money has been knowingly siphoned off to pay for programs, we say there is a problem. It is understandable that it would be used for labour force training, but workers' primary concern is eating. You can't listen on an empty stomach. It's all very well to train the unemployed, but when they have nothing to put on the table for their family, there is a problem.

I understand that there is a "Canadian" vision of the problem. Nobody wants to increase employment insurance benefits in eastern Canada when there is a shortage of workers in the west. People can't travel back and forth between Newfoundland and Edmonton every day, they have to stop and eat. People do not move around like that.

There is a country called Canada, about which I do not particularly care, but that is another story. This is a "Canadian" vision of the problem. When there is a labour shortage in British Columbia, for Whistler, or in Edmonton or elsewhere, it would be completely ridiculous to increase employment insurance premiums for people in Newfoundland or Nova Scotia or New Brunswick or eastern Quebec. That has been understood, but is it acceptable to say that we are going to cut taxes because there are pots of money in the employment insurance fund and we are going to go blithely dipping into it? The Conservative Party is not the only one that has done this. The others have done it too. When we talk about the government, we mean the government.

We are saying that the employment insurance fund has to be used for the unemployed, and has to be used to maintain and support the economy because people are unemployed. We do not object to tax money being used for what they want to use the money in the fund for. We do not fiercely object to labour force training when the government in Ottawa has money coming out its ears. That would be ill-advised. That may be why nothing is being said. Money is being taken out of the fund because taxes are being cut instead of

maintaining tax levels and ensuring that the employment insurance fund is used for what it was created for in the 1940s: we did not want to go through what we went through during the great economic crisis of the 1930s. That is why it was created!

Stop telling us whatever sounds good. We are paying attention, and our fathers did before us. Don't come here and tell us whatever sounds good to try to protect the government, which has dirtied its hands in the fund by paying for its programs out of the fund because it didn't want to raise taxes. It wanted to cut taxes instead to make the voters happy. That is what happened. Let's not be telling each other tales here this morning. I'm not 26 years old, I'm 62.

● (1040)

[*English*]

**Mrs. Lynne Yelich:** I have a point of order.

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

We're now going to move on to Mr. Dhaliwal. You have five minutes.

**Mr. Sukh Dhaliwal (Newton—North Delta, Lib.):** Thank you, Mr. Chair.

I welcome the panel here.

First of all, the way I see it is that I'm hearing, on the other side, that the members are saying this board is put into place to be open, transparent, and accountable from a government perspective, but I haven't seen a single example in the last two years from this neo-conservative government, whether it be income trusts—

**Mrs. Lynne Yelich:** On a point of order...[*Inaudible—Editor*]... Mr. Lessard.

**Mr. Sukh Dhaliwal:** —election spending, Chuck Cadman, and all those issues.

Mr. Robert Blakely was mentioning that in the U.S. there is a neo-conservative agenda. How do you see that neo-conservative agenda from the U.S. being implemented through this crown corporation here in Canada?

**Mr. Robert Blakely:** Do I see this as the thin edge of the wedge for that? The answer is no. But am I crossing my fingers and hoping? The answer to that is yes.

**Mr. Sukh Dhaliwal:** You also mentioned the makeup of the board. I heard that you think this board cannot represent the working people in Canada or their interests in a better way. How would you suggest changing the makeup of that board if it goes ahead?

**Mr. Robert Blakely:** I think if there is going to be a separate and independent board, it should have people who represent the interests of workers and people who represent the interests of employers—the contributors to the fund. They can go out and buy the talent that is necessary from the insurance community, the investment community, from whatever other community. They can get advice, as is done now by a number of other boards.

If you've never been on pogey, you don't know what it's like. The people who work in my industry, in construction, sometimes work 4,000 hours in a year, sometimes 500. It's a fact of life. If you know what it is like to think, "Okay, Christmas is coming and I'm getting \$413 from the pogey commission. What am I going to do for the kids this year?", you'll know it's really a mind-altering experience. Those are the people who ought to form any commission that deals with EI. Let them go out and buy the talent.

**Mr. Sukh Dhaliwal:** Mr. Chairman, through you, do you mean that the present makeup of the board, the present setup, is going to jeopardize the interests of the working people in Canada—yes or no?

**Mr. Robert Blakely:** In my respectful submission, yes.

**Mr. Sukh Dhaliwal:** Are there any other members on the panel who want to contribute to this discussion?

**The Chair:** Mr. Jackson, do you have a quick response to that?

**Mr. Andrew Jackson:** Just to state that it's my understanding that the nominations to the board will be on the advice of the employer and worker commissioners as part of a group of three, with somebody from the government, right? I think there's one person from the government. So I think it anticipates a sort of consultative process around those appointments. But we really don't know how that is going to proceed, and I think that's going to be an issue—whether the board is going to be representative of the constituencies or just a very narrowly technical board.

As my colleague here said, it's probably important that it is a representative board with some expertise around the issues, but then, technical skills can be paid for. The functions really are very narrow, if you think about it. My understanding is that because it's a crown corporation, when it invests, all it can invest in is interest-bearing assets. All you're really deciding is whether you buy Ontario bonds or Saskatchewan bonds, or whatever. It doesn't require deep layers of financial expertise. To the extent that it's not really about running the EI program, it doesn't need any particular expertise on EI issues. And as I said before, their economic assumptions come from the Department of Finance, so probably any economic expertise might be a liability.

So I think the issue of representativeness is probably important.

• (1045)

**Hon. Judy Sgro:** Given some of the comments around the table, in your view, is this just another way of passing on tax breaks through lower contributions—i.e. from the companies—and starting to starve the EI system?

**The Chair:** That's all the time we have. Who do you want to address that to, Judy?

**Hon. Judy Sgro:** Anyone who wants to answer it.

**The Chair:** Mr. Roy.

[Translation]

**Mr. René Roy:** I agree with my two colleagues. We are asking for one thing specifically, among others: this entire appointment question has to be clarified, and there have to be employer and union representatives on it. As Mr. Blakely said, if they need experts, all they have to do is hire them.

The part of the bill that interests us relates to the creation of the fund itself. The agency itself is going to manage its fund. That is minor, but it is in fact a lot. In the past, a problem arose when the Act was changed in relation to the employment insurance fund: no employment insurance account was created.

It comes in and it goes out. And then the representatives of the government tell us that the money has been spent. If we win in the Supreme Court next Wednesday, they will have to find the money. I am not the one campaigning. You do that, your election campaigns. That will be your problem: you will have to find the money and repay the workers and employers who put money into an insurance fund.

Myself, Ms. Sgro, what I find interesting is that at the CSST there is a structure that administers billions of dollars. It is made up of employer and union representatives. The account belongs to us. Obviously, we are not completely independent. We are not out in left field somewhere. There is in fact a government above us. Here too, we expect there will be a responsible government authority. Obviously, the people who are elected are always responsible.

So that is how we see it.

[English]

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

We're now going to move over to Mr. Gourde for five minutes.

**Mr. Robert Blakely:** Ms. Sgro asked a question.

**The Chair:** She did ask a question, but she's over her time.

But do you know what? I'm in a good mood; I'm going to let you answer that.

**Mr. Robert Blakely:** Thanks. It's because of your very good-looking haircut, I think.

**The Chair:** Just because of the haircut, yes.

**Mr. Robert Blakely:** Ms. Sgro, your point is one of those sort of lie-awake-at-night things for me. If the intention is to make EI into a tax cutter or whatever else, it reduces the usefulness of the program. It withers the program, and when the program starts to wither, it benefits fewer and fewer people and it is easier for somebody to say this program is of no use anymore and suggest just getting rid of it.

It is, and it has been for at least 75 years, an important part of the social safety net of this country, and it is something that needs to be preserved. So it's a worry, and it's a worry all the time.

**The Chair:** Thank you.

Now we're going to move to Mr. Gourde. Five minutes, sir.

[Translation]

**Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC):** Thank you, Mr. Chair.

I would like to thank the witnesses who are here and take advantage of their expertise.

There was some discussion of the surpluses in the employment insurance fund during the 1990s. Given that we are talking about \$54 billion, there must have been years...

I know that Mr. Roy does a good job with statistics: were there years when there were surpluses in excess of \$4 or \$5 billion? Given that \$54 billion accumulated in 15 years, there must have been relatively substantial amounts in some years.

• (1050)

**Mr. René Roy:** [*Editor's Note: inaudible*] There were years when it was above \$5 billion. I have been told there were surpluses of \$7 billion some years.

**Mr. Jacques Gourde:** Because that money is part of a lump sum inherited from the previous government, was it used to balance the budget over those years, at the expense of workers?

**Mr. René Roy:** We know there is no employment insurance account. The money goes in and is recorded in the federal government's current expenditures, and it pays out benefits.

In terms of the accounting, the government, whether it be yours or the previous one, has acknowledged that debt in court. In fact, it acknowledges it, because it applies a certain percentage for interest. Even the judges in the lower courts have held that the government acknowledged the debt.

To answer your question, I would say that the money was used, but I don't know where. You're the members of Parliament, so you ought to know. Was it used to pay the debt, to pay for tires for the Canadian army? I don't know. The money must have been used for something.

**Mr. Jacques Gourde:** Mr. Chair, there was a reference to an agreement involving Emploi-Québec. I learned from you today that money was transferred from the federal government to Emploi-Québec. The amount is \$580 million.

Can you enlighten me about this agreement, which was signed in 1996?

**Mr. René Roy:** It is the Canada-Quebec labour force training agreement, which was signed in 1996. The transfer is based on a certain percentage of the assets in the employment insurance fund: 0.008 percent. This provides Quebec with about \$597 million a year.

**Mr. Jacques Gourde:** Does the Government of Quebec give the money to Emploi-Québec?

**Mr. René Roy:** That's right. It's a fund. The Government of Quebec injects \$240 million. Emploi-Québec and the commission of partners manage about \$850 million intended for worker training. Emploi-Québec's operating budget is about \$120 million and that is not taken from the fund; it is provided by the Government of Quebec.

**Mr. Jacques Gourde:** It is a partnership, about 70 percent from the federal government and 30 percent from the provincial government.

**Mr. René Roy:** Yes, but the money that comes from the federal government is used strictly for training unemployed workers, based on the criteria.

**Mr. Jacques Gourde:** But that money is administered by Emploi-Québec.

**Mr. René Roy:** That's right.

**Mr. Jacques Gourde:** Okay. Thank you.

Mr. Chair, that concludes my questions.

[*English*]

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

We're going to move now to Madame Savoie, then, for five minutes.

**Ms. Denise Savoie:** Thank you very much.

I'd like to come back to a couple of questions. Those kinds of agreements exist in every province. What I was concerned about was the lack of accountability with respect to how that public money, workers' money, is being used for the benefit of sometimes—

**Mr. Robert Blakely:** In some of the most recent agreements, there's no accountability whatsoever.

**Ms. Denise Savoie:** Exactly, and that's a huge concern.

I'd like to come back to something. We know that in the mid-1990s the conditions, the eligibility criteria, were modified to really allow the government to protect itself from any downturn in the economy. It was really an insulation. It was no longer to help the workers; it was to insulate the government.

Given the fact that this new office will have, as you said—I think some of you have said—very narrow functions and will be not representing the people who pay into it.... Some of you have said that this is a step in the right direction. The problem we will have is that if we approve or allow for such a flawed organization, it will give the impression to Canadians that we've gotten the job done, when really what we will have created is a very flawed mechanism that won't address the issues, for example, of eligibility criteria. And it will be less accountable by being removed, far off the books, to a crown corporation. That's what you do with Radio-Canada, and you see how accountable that is.

I guess I'd like more clarity about your position. Some of you have said that it's a step in the right direction. But with all those flaws.... And as the government has said, this is a confidence issue. So bringing forward amendments that would make this worth considering are just not within the realm of possibility.

Monsieur Céré said, *paroles, paroles*. That's all we'll be able to say. This thing is going to go through. So I'm just wondering if you would make a last comment on that for me to bring back to my colleagues.

We'll start with you, Mr. Blakely.

• (1055)

**Mr. Robert Blakely:** In principle, having a separate board is not something I'm opposed to. I'm not opposed to a separate bank account. I do believe the Government of Canada needs to have a role in being a reliable backstop without discretion.

I've heard comments that the bill is for transparency and to create accountability. I have some difficulty with that. I do not see it as a transparency bill. So I think this piece of legislation, although I can agree with a number of the things in it, is too flawed to go forward.

**Ms. Denise Savoie:** Mr. Jackson.

**Mr. Andrew Jackson:** I agree with that. I don't want to get into the politics of the situation, but it seems to me the government can agree to amendments on the legislation moving forward. I think I was being quite careful in my comments to say that there were points in the bill that could be clarified to meet the major concerns.

With respect to "shall" versus "may", I do take the point that this is taken from the original act, but given that the context has shifted somewhat and given that the government is prepared to give an assurance that the backstop exists, I don't see why that shouldn't be there. I think the intent is clearly that the new board would not intervene with respect to program design issues, that this remains for the government, with input. There's a clause in the bill that states that reasonably clearly, but I think it could be tightened and improved.

I guess my plea would be for the government to consider revisiting the legislation to see if some of those things couldn't be changed. I don't want to impute ill motives around some of the flaws, which might—

**The Chair:** That's all the time we have, but I see some other hands up here—Mr. Roy, Mr. Campeau—so I'll get some quick comments and then finish it off.

Mr. Roy.

[*Translation*]

**Mr. René Roy:** At present there is no employment insurance fund. The federal government has spent the money in the fund. So anything we did would be better.

Based on my experience in Quebec, the CSST or other government agencies the partners sit on are very easy to track. The financial reports and the management of that fund are much easier to track than a complete government account.

[*English*]

**The Chair:** Mr. Campeau, sir.

[*Translation*]

**Mr. Georges Campeau:** Thank you.

I would have liked to speak about various things at several points. I am going to come back to what I said earlier, because I didn't have time to finish.

We are all in agreement that premiums must be used only to pay benefits. That is where the problem lies, in my opinion.

With this bill, the government is completely hiving off this little board, which will not be financing anything, in spite of its grand name. Ultimately, it will only be managing the \$2 billion in premiums. The premiums and benefits will still be controlled by the federal government. The danger I see is that more and more emphasis is being put on reducing premiums, and this will have repercussions in the medium and long term. And yet everybody agrees that what is desperately needed at this time is adequate coverage for workers who find themselves unemployed, in various

sectors affected by the economic recession. We have to provide protection, like the CSST or another responsible agency. That is not the case here.

• (1100)

[*English*]

**The Chair:** I want to thank all the witnesses for being here today. We appreciate your input and your concerns about this bill as we go forward. And thank you for coming on such short notice.

I will dismiss the witnesses now, and then we have some committee business that we need to take of before we're finished here today.

Once again, witnesses, thank you very much for appearing.

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\_\_\_\_\_ (Pause) \_\_\_\_\_

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**The Chair:** Members, this should not take a long time.

You have in front of you the fourth report. It outlines how we're going to handle some business over the next month or so. I'm hoping we can adopt that report. If everyone has the chance to have a look at what was talked about in our last subcommittee meeting, it's pretty straightforward in terms of how we would handle business as we move forward.

The suggestion is that on May 13 we look at Bill C-362. In the first hour will be the presenter of the bill. In the second hour will be any witnesses. Right now the clerk has only one witness, but a couple more witnesses have been brought forward by Mr. Lessard since our subcommittee meeting.

**Mrs. Lynne Yelich:** [*Inaudible—Editor*]

**The Chair:** No, this is on Bill C-362.

**Mrs. Lynne Yelich:** Oh. I'm sorry, I was reading the employability study—

**The Chair:** Follow the report along here. Follow the bouncing ball.

**Mr. Sukh Dhaliwal:** There is a group from Vancouver that I would like to propose.

**The Chair:** I think the list has been cut off, but we'll talk afterwards, Sukh, if you have a second.

On May 15, the Thursday, it was agreed as well that we should try to bring back the two witnesses on the financing board: the Canadian Federation of Independent Business and the Council of Chief Executives. The second hour then would be clause-by-clause on Bill C-362.

**Mrs. Lynne Yelich:** When will the departmental officials be appearing?

**The Chair:** On the clause-by-clause.

**Mrs. Lynne Yelich:** On the clause-by-clause. Okay.

**The Chair:** They'll be there.

I just talked to the clerks about phase two, which involves teleconferencing with Ireland, Great Britain, and others, as well as other provinces. That takes some time. We could get them working on the teleconferencing the week after that, which would then be into the first part of June.

We then agreed to have another subcommittee meeting in June, because we need to figure out when we can get the report together. It's going to be noted that we're going to send an invitation to the minister to come for an hour on May 27, if it's possible. That would be the suggestion.

• (1105)

**Mrs. Lynne Yelich:** I don't think the minister will solve anything at committee. He was here for two hours, and it got repetitious about the \$54 billion. We saw it again today. I'm beginning to wonder whether it's a waste of good time. We might as well move this report and try to get it to the House. That's probably where it rightfully should be debated.

**The Chair:** If the minister is busy, he's busy, but we're going to send the invitation for May 27. The other thing is that we will be reporting some of the recommendations that the researchers have talked about. We're going to be dealing with that in the second hour.

**Mrs. Lynne Yelich:** As long as it doesn't hold up the report. We're not going to hold the report up for the minister if he can't make it. It would be nice to get back to where we were, and that's the employability study.

**The Chair:** Poverty—

**Mrs. Lynne Yelich:** Or the poverty study.

**The Chair:** I know we did employability for a couple of years and it became impressed in our thinking.

**Hon. Judy Sgro:** If I can add to that, there have been questions that we, as a committee, have now that we didn't have when the

minister was here, and issues have been raised. I think if we can get them clarified and get answers to those, it will help us in the long run so we won't have to be wasting time.

**Mrs. Lynne Yelich:** I don't know what you were hearing, but I heard about the \$54 billion over and over and over again.

**Hon. Judy Sgro:** That was today, I agree, but that was their issue.

**Mrs. Lynne Yelich:** From what I could see, the biggest question today that the officials could answer is the “may” and the “shall”. I think it's worthwhile to have the officials here when we go clause-by-clause. But as to what happened the other day—

**Mr. Mike Lake:** We're not going clause-by-clause. This isn't our bill.

**Ms. Denise Savoie:** There's also the percentage that was raised, and there seemed to be some confusion.

**The Chair:** The confusion was just with the witnesses, not with the bill.

We're going to make the requests. And that is going to be followed by one meeting to talk about the definition of poverty, as we all discussed previously.

These are the minutes of the meeting. They give you an indication of where we're going over the next two or three weeks.

I would ask that we accept the fourth report.

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

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

I hope to see you at the alliance council.

The meeting is adjourned.







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