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Chair

Ms. Candice Hoepfner

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

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• (1530)

[Translation]

The Vice-Chair (Ms. Raymonde Folco (Laval—Les Îles, Lib.)): Welcome to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities. On this Wednesday, April 21, 2010, at 3:30 p.m., we are convening our 12th meeting here in Room 308, West Block.

On today's agenda is Bill C-395, An Act to amend the Employment Insurance Act (labour dispute). I would like to welcome our fellow MPs, Mr. Guy André, the member for Berthier—Maskinongé, and Mr. Yvon Lévesque, the member for Abitibi—Baie-James—Nunavik—Eeyou, who has asked to appear as the second witness. Is there any objection?

I see no objection, so please take your seat, Mr. Lévesque. Welcome to our Committee.

Mr. André, Mr. Lévesque, you have 10 minutes to make your opening presentation, and I think you are as familiar with the system as I am.

Mr. André, I believe that you are going to start. Please proceed.

Mr. Guy André (Berthier—Maskinongé, BQ): I am very pleased to do so. Madam Chair, colleagues...

The Vice-Chair (Ms. Raymonde Folco): Excuse me for interrupting, Mr. André, but there is a point of order.

Mr. Komarnicki.

[English]

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): Thank you, Madam Chair.

I just wanted to raise a quick point of order with respect to the minister's recent appearance on the main estimates and report on plans and priorities. I know it involves Monsieur Lessard and I wanted him to be here when I raised the point. My colleagues and I had agreed to the minister appearing for a longer period of time. In fact, I believe it was for 90 minutes, and we were okay with that for the purpose, basically, of questioning the minister and of course allowing the minister to answer.

Monsieur Lessard posed probably some six minutes of questions without giving the minister an opportunity to respond. It is our view that those questions can be posed outside of the committee, if that's the desire, through questions on the order paper. But in the future, it would be my view that if we were supportive of the minister

appearing here for that length of time, there should be an opportunity given to the minister to respond. I take objection to the fact that almost the entire seven minutes were used for questioning without a suitable response time being given. If we want the minister for a longer period of time, there needs to be give and take.

[Translation]

The Vice-Chair (Ms. Raymonde Folco): Thank you, Mr. Komarnicki.

Mr. Lessard, would you like to respond?

Mr. Yves Lessard (Chambly—Borduas, BQ): Madam Chair, I am pleased that our colleague has raised this. It is something that I also could have raised, because in the past, it has happened that a simple question results in a seven-minute answer. However, we have not raised that here. Of course, the process is such that our time for asking questions is limited. I felt that, under the circumstances, and given the number of questions I wanted to ask, I should ask them one after the other and let the Minister answer the ones she was able to answer. The other answers that could not be provided here in Committee could have been forwarded in writing. That is quite simply what I did.

Is there a desire to manage our time differently? Perhaps we should discuss this. If so, we would also have to agree that answers should not take six or seven minutes.

The Vice-Chair (Ms. Raymonde Folco): Thank you, Mr. Lessard.

[English]

I don't think, Mr. Komarnicki, that the intent of your intervention was to change the rulings. I think you wanted to make known your opinion on this. Am I correct?

Mr. Ed Komarnicki: That's true, but part of the reason for agreeing to the minister's lengthier appearance was to ensure there was give and take. I'm not suggesting anything beyond the fact that in the future we would appreciate the minister being given a reasonable opportunity to respond.

[Translation]

The Vice-Chair (Ms. Raymonde Folco): That being the case, I think we could probably let all the members know that, henceforth, when a minister is appearing—or any witness—we should try to give the witness plenty of time to answer within the seven or five minute time limit. I think we can leave it at that.

[English]

Is this acceptable, Mr. Komarnicki?

[Translation]

Do you also agree with that, Mr. Lessard?

Mr. Yves Lessard: I just would like to mention the response time. Sometimes the answers can be very brief—a yes or a no. At other times, someone may talk for three or four minutes without an answer ever being given. So, I really do not know how to deal with this, Madam Chair. It is a little tricky to say to a minister that he or she should get to the point; they are not being cross-examined in front of a court of law.

Perhaps this is the kind of issue that should be debated or looked at by the Standing Committee on Procedure and House Affairs. This is something that should be reviewed so that we can arrive at a system that works for both the people asking the questions and those answering.

The Vice-Chair (Ms. Raymonde Folco): Mr. Lessard, I would suggest that we leave things as they are for the time being and, if you decide to pursue this, you may want to discuss it with the Chair when she returns in a few minutes. I hesitate to go any further with this, since I am not chairing the meeting.

Mr. Yves Lessard: I would like to add one thing, if you do not mind. If our colleague, Mr. Komarnicki, agrees with me, we could simply refer the matter to the Standing Committee on Procedure and House Affairs because, in any case, we will not be able to deal with it here.

The Vice-Chair (Ms. Raymonde Folco): I suggest that the two of you get together after the meeting this afternoon or at another time.

Mr. André, Mr. Lévesque, please accept my apologies for the delay. Mr. André, this time, it really is your turn to speak.

Mr. Guy André: Good afternoon.

Madam Chair, colleagues representing all the parties, I, of course, want to thank you for inviting myself and Mr. Yvon Lévesque to appear before the Committee to discuss Bill C-395, An Act to amend the Employment Insurance Act (labour dispute). I introduced this bill in the House of Commons for the first time in the second session of the current Parliament, back in May of 2009. It amends the Employment Insurance Act to extend eligibility to individuals who have lost their jobs following a labour dispute, either a lockout or a strike.

As you know, the Bloc Québécois is still of the view that the Employment Insurance system is not meeting its objectives and should undergo thorough reforms, because thousands of workers are unable to access it. The Bloc Québécois is therefore proposing a series of enhancements to the Employment Insurance system, including improving access and, of course, removing the waiting period. Having said that, the bill under consideration today does not propose significant changes to the Employment Insurance program. Indeed, that is not the purpose of Bill C-395.

Madam Chair, this bill is intended to correct a major omission or shortcoming in the Employment Insurance Act which affects

thousands of workers when businesses shut down following a labour dispute, either a strike or a lockout.

At the present time, the Employment Insurance Act calculates benefits based on a given salary during a given period, known as the “qualifying period”, as you most certainly already know, being members of this Committee. As you all know, the normal qualifying period covers the 52 weeks that precede the start of the benefit claim period, or the period between the start of a previous claim and the start of the new claim, which is based on the claimant's insurable earnings.

However, the qualifying period may be extended in certain cases, up to a maximum of 104 weeks, for a variety of reasons, including the inability to work because of illness or injury. Where individuals do not work during the qualifying period, of course, they are not contributing to the Employment Insurance system and are therefore not covered.

However, what happens at the end of a long labour dispute, where there has been a strike or the business has shut down? Of course, if the labour dispute is of short duration, the laid off worker will receive Employment Insurance benefits if that period falls within the qualifying period. However, if the labour dispute lasts a long time—in other words, longer than the qualifying period—the laid off worker will not make contributions during the qualifying period and will therefore not be eligible for Employment Insurance benefits based on the provisions of the current Act. Therefore, the Employment Insurance Act makes no provision for cases involving lengthy labour disputes, which, unfortunately, often result in business closures.

Madam Chair, let's look at an actual example from Quebec. I am sure you have heard of the 425 Domtar workers in Lebel-sur-Quévillon who were laid off in December and deprived of employment insurance. Indeed, I would like to take this opportunity, Madam Chair, to convey greetings to my colleague who is here today, the member for Abitibi—Baie-James—Nunavik—Eeyou, who was the driving force behind the bill we are considering today. This plant is located in his riding.

I would also like to draw the Committee's attention to the presence here today of Mr. Mario Pothier, President of Local 1492 of the Communications, Energy and Paperworkers Union of Canada, as well as Josselin Bouchard, a worker who has been directly involved in the labour dispute in Lebel-sur-Quévillon.

● (1535)

They are the ones that pay the price for the current gap in the Employment Insurance Act.

After a lockout that lasted approximately three years, Domtar finally announced on December 19, 2008 that its plant in Lebel-sur-Quévillon would shut down for good. Because it was a very lengthy labour dispute, that lasted three years, and because laid off workers had not accumulated any hours of work during the qualifying period—the 52 weeks—they were not eligible for Employment Insurance, even though they had been contributing to the EI fund for 25 or 30 years.

Essentially, even though they had been locked out for more than three years, Domtar employees still had a job attachment. They were not contributing, because they were receiving strike fund pay, and they obviously did not accumulate any hours of work during the qualifying period. Therefore, under section 27, they were not eligible to receive Employment Insurance benefits.

This is an exceptional and shocking situation. It reflects a major gap in the Employment Insurance Act that must be corrected as soon as possible. I am making an appeal to MPs from all the parties: it is critical that they listen to what is being proposed here in this bill. We must take action to help these workers who have been completely abandoned by the Employment Insurance system.

Let us not forget that many of the workers in Lebel-sur-Quévillon had worked without interruption—as I pointed out earlier—for 25, 30, 35 years and more. They obviously made contributions throughout those years, without ever receiving a cent in EI benefits. Then when they lost their jobs following a three-year lockout, they all applied for Employment Insurance benefits, but their applications were rejected, Madam Chair. Why should they have been refused Employment Insurance benefits? It is inconceivable, it is sad and it is a disgrace. These workers have paid a high price for that injustice.

Bill C-395 proposes to exclude, from the qualifying period, the period covered by the labour dispute. Therefore, a worker who loses his job when a company shuts down following a lockout or a strike would see his benefits calculated based on the 52-week period preceding the labour dispute. Whether the dispute lasted two or three years, the calculation would be made based on the period prior to the labour dispute.

In Quebec, according to the Department of Labour's data for the period from 1995 to 2004, which we examined, there were, on average, slightly fewer than four long-term labour disputes per year. These are disputes that may last—as was the case for the *Journal de Québec*—for more than 14 months. However, the Domtar workers' case is exceptional, because in Quebec, no more than eight labour disputes lasted in excess of 721 days between 1995 and 2004, and barely 0.5% of labour disputes lasted more than two years in the last 20 years.

• (1540)

The Vice-Chair (Ms. Raymonde Folco): Could you please conclude your remarks?

Mr. Guy André: I shall, Madam Chair.

And again, the labour dispute would have to result in the company shutting down altogether. This is clearly not something that happens very often, even though its consequences are profoundly unfair for the men and women involved.

I believe that passing this bill would be a simple and fair way to remedy the current gap in the Employment Insurance program. I appeal to all members of the Committee to support this bill out of a concern for fairness. To not do so would be to deprive hundreds of workers of what they are rightly owed, given the contributions they made for many years. Thank you.

I am now available to take your questions.

The Vice-Chair (Ms. Raymonde Folco): Thank you, Mr. André.

Mr. Lévesque, although you did not have a chance to make a presentation, I think you will have ample opportunity to answer questions.

The questions can obviously be addressed to either one of our witnesses.

We will begin with a seven-minute round.

Ms. Minna.

[*English*]

Hon. Maria Minna (Beaches—East York, Lib.): Thank you, Madam Chair.

Welcome to the committee.

I support the intent of the bill. I think it is important to address this issue, but I would like to look at a couple of things in the bill that need clarification—for me anyway.

What happens if someone who is on strike finds a part-time job and is actually working during that period and then goes back and is paying benefits? How would we track that and deal with that? How is that overlap addressed in the bill? I don't see that in the bill, which is just making a fairly straightforward change.

[*Translation*]

Mr. Guy André: I will try to answer your question. Of course, the bill proposes that the qualifying period prior to a strike or lockout be taken into account. Therefore, if a worker is eligible for employment insurance and has worked enough hours prior to the labour dispute to qualify, under the proposed legislation, that worker will be eligible for EI benefits after the dispute, of course.

If, for example, a worker accumulates... As you know, when workers are on strike or locked out, they are often entitled to a certain amount of strike pay through their strike fund. For instance, if someone works a certain number of hours while on strike, I imagine that any hours he accumulates during that period will be taken into account, because he will have made contributions to Employment Insurance.

Basically, the purpose of this bill is to provide for the qualifying period prior to the dispute and strike to be taken into account.

• (1545)

The Vice-Chair (Ms. Raymonde Folco): Mr. Lévesque, would you like to add something?

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Yes, Madam Chair.

The way the Employment Insurance Act is currently structured, a person who retains a job attachment with a company is not eligible for EI benefits while on strike or locked out. In order to be eligible, that person must be able to prove his availability for work. So, if he is on strike, as long as the strike is ongoing, all his hours of work are not deemed to constitute a job attachment to the employer against whom the worker is striking. However, he does have the right to accumulate hours during a qualifying period. If, while the strike is ongoing, he can work enough hours to qualify, he is entitled to EI benefits subsequently, whether or not a strike is ongoing at his regular employer's company.

[English]

Hon. Maria Minna: Thank you.

I understand the bill ensures that people who are on strike do not lose the period of time they're on strike when their EI is calculated. I understand that, but in the bill we have an extension of up to 52 weeks and an exemption for people who are ill or have other problems. That's already in the act now, so you're adding this portion. But you're going beyond the 52 weeks; you're going to 104 weeks, and there's actually no maximum provided in the bill. I'm wondering why you would do that and why that would be different from other situations.

[Translation]

Mr. Guy André: There are other situations, such as Employment Insurance sickness benefits. That is one example we gave. A bill drafted by the Bloc Québécois dealing with that is in the works. At the present time, someone who is sick with cancer, for instance, is only entitled to 15 weeks of EI benefits. We will be tackling that issue in another bill, because we believe that someone with no private insurance who must make up for lost income during illness is excessively penalized.

The bill we are proposing today focuses specifically on situations where workers are on strike or are locked out.

[English]

Hon. Maria Minna: But you're going beyond the 52 weeks. You're looking at the whole period they were on strike, so you're making it quite different from the exemptions that are already in the legislation, such as for illness. So I was asking you why you're making it longer.

I understand what you're saying, because they might be on strike much longer, but then a person may be ill for a much longer period of time, and there's a maximum now. That's why I'm wondering why this one is being treated differently from the other, from your perspective. Why does it need and deserve to be treated differently?

[Translation]

Mr. Yvon Lévesque: I think it is important to remember the context. There was a strike prior to the lockout at Lebel-sur-Quévillon—it was the strike at Radio Nord—which is part of a region. We live in a region made up of small and mid-sized towns. When there is a strike at one business, quite often it is the whole municipality that is on strike. The strike at Radio Nord lasted more than two years. Had that company decided to shut down after the strike, the workers would not have been eligible for employment insurance. And that is exactly what happened at Lebel-sur-Quévillon.

Lebel-sur-Quévillon is a single-industry town. The town and its surrounding area are not immune, and provision must be made for that. Most of the people who went there moved to Lebel-sur-Quévillon and bought houses with the intention of spending their lives there. They worked there for 25 or 30 years, or even more than 30 years in many cases. They are very well established there, they have homes there. Lebel-sur-Quévillon is an isolated town. The closest town is 170 kilometers away. People cannot be travelling 170 kilometers every morning and every evening to go to work. They were not able to qualify for an additional period of EI benefits.

That could happen to other towns. Workers have no control in these cases; it is the company that is in control. Often a company will use a lockout or force workers to go on strike in order to extend its restructuring period, in order to stay afloat. If they realize, once the strike or lockout is over, that this is not going to be possible, they shut down. And who suffers the consequences? The people that work for the company.

• (1550)

The Vice-Chair (Ms. Raymonde Folco): Thank you.

Mr. Lessard, please.

Mr. Yves Lessard: Thank you, Madam Chair.

I would like to thank my colleagues for their presentation. For colleagues who were not involved in drafting the bill or may not be aware of what happened during that period in Lebel-sur-Quévillon, it might be appropriate to be given an overview of the events. It is important to keep things in context; the employer could have shut down before that. However, the company shut down at a time when its own employees no longer had any recourse.

Perhaps you could explain all of that, Mr. Lévesque, because you are quite familiar with the events.

Mr. Yvon Lévesque: The workers had already been negotiating the renewal of their collective agreement for more than a year. As I recall, early in the day, there was a meeting with the company to negotiate and try to reach an agreement—the other witnesses lived through this, and they would certainly be better able to explain the details. Approximately one half-hour later, security staff entered the company to take the workers out.

We know that, at that time, the kraft paper market was in trouble. That employer produces kraft paper. When the company directors realized they needed to restructure and refinance the business to get things back on track, the lockout represented a good solution for them. It gave them the time they needed to try and get things back on track. When they saw that it was not going to be possible, they shut down.

Of the workers living in that municipality, only a very few would occasionally decide to go and work somewhere else. They would get up and go out to try and find work elsewhere, given the few options available in a town of that size.

Mr. Yves Lessard: You said the closest town is how far from Lebel-sur-Quévillon?

Mr. Yvon Lévesque: About 170 kilometers.

Mr. Yves Lessard: The nearest town is 170 kilometers away. It is really isolated.

Mr. André, in preparing this bill, I understand that you also looked at the practical effects on the workers themselves and on their families. At the end of a labour dispute of this duration, if you think you are going to be eligible for EI and then end up in the situation Mr. Lévesque was describing... What are the impacts you saw that prompted you to draft this bill?

Mr. Guy André: First of all, it should be said these workers had nothing but a strike fund to meet their needs for almost three years during the lockout. As you know, a strike fund does not provide as high an income as what you would receive from working. When the company shut down, the workers were left without a dime. They were not eligible for unemployment insurance. In order to get by, they probably decided to dip into their own savings and RRSPs or sell their homes. Unfortunately, the government did not provide any financial support through the Unemployment Insurance program. Yet that support should have been available to these workers who had been contributing to EI for 25 or 30 years.

As a result, these workers faced serious poverty. Many of them went on welfare in Quebec. As Mr. Lévesque pointed out, this was a single-industry town. It was the only industry where people in the town could make a living. Many of them sold their homes at a loss, homes they had built with their savings over the years. For example, houses that were worth \$100,000 or \$125,000 sold for only \$25,000. People had to move to another community. We also noted a very high divorce or separation rate, which had repercussions for the children. So, these workers suffered significant social, economic and even psychological effects by the fact of having simply been abandoned by the Employment Insurance program.

• (1555)

Mr. Yves Lessard: We know how important this is for you. The argument we are hearing has less to do with implementation than it does with the cost. My colleagues will certainly want to come back to that later.

Have you been able to calculate the cost of such a program under the circumstances?

Mr. Guy André: No cost estimate has been done because this type of labour dispute usually is resolved. However, there are exceptions. In this case, we are talking about 450 workers who were deprived of EI benefits. I have not done the math, but perhaps I could ask the Committee to do that. I do not think we are talking about exorbitant amounts of money. As I say, 450 unemployed workers for 50 weeks. Without wanting to offend anyone, I would just like to point out that the Conservative government is planning to remove some \$19 billion in Employment Insurance contributions over the next four years. We know full well that the government has some \$55 or \$60 billion in the EI fund. I am confident that we can meet the objectives laid out in Bill C-395, which does not represent exorbitant amounts of money. Other bills designed to enhance the Employment Insurance system have also been tabled—for instance, one that proposes to abolish the waiting period. Despite the cost of these measures, there will be a perfectly adequate surplus in the Employment Insurance fund for the government to be able to use this money as it sees fit, as it has been doing for the last several years to reduce the deficit or for other purposes.

[English]

The Chair (Ms. Candice Hooppner (Portage—Lisgar, CPC)): Thank you very much.

We will now go to Mr. Martin, please.

Mr. Tony Martin (Sault Ste. Marie, NDP): You'll have to excuse my voice; I have a bit of a cold.

I want to say, first of all, I appreciate your bringing this forward. I think it is a very good idea. I had not thought of this myself, but I think it's a logical extension to the protection that we give workers. No worker wants to be on strike; no worker chooses easily to be on strike. It's usually something that arises in the normal negotiating of contract. You get to a point where the only option left for the worker is to remove his labour and to make his case in that way.

Most of these workers willingly pay into EI while they're working, and oftentimes many of the workers who I have known over the years don't ever avail themselves of the fund because they're not out of work. But we know that being out of work for any length of time, and particularly being on strike.... The workers in Sudbury who are on strike right now with Vale Inco are getting \$200 a week. That doesn't pay for very much, and as you said earlier, it doesn't take long before you begin to see your assets disappear as you cash them in or use them to provide money to feed your kids.

Are you looking at this particularly out of the Quebec situation, where you have a very highly unionized workforce? Have you done any assessment or research in terms of Canada?

• (1600)

[Translation]

Mr. Guy André: No. I focus more on the situation in Quebec, but I am certain there are similar cases in the rest of Canada. There have been strikes and lockouts there as well.

Mr. Yvon Lévesque: In my opinion, the economic system and changing markets have given rise to this kind of problem. The globalization of trade has resulted in stiffer competition in Canada and Quebec. The number of workers who are on strike or locked out for more than 100 weeks is extremely low, both in Canada and elsewhere. This is a very recent phenomenon. It is important to point out that workers are eligible for EI benefits if, before negotiations begin, the company decides it cannot remain in business and shuts down immediately. That does not represent an additional cost. Nor is it an additional cost if a company closes after that period. As a general rule, the company secures certain advantages when it dialogues with the employees. Normally they will cut back their demands, even if they already have. If the company is unable to reach an agreement, it is generally because it killed time rather than trying to resolve the problem.

So, we are talking here about a right the workers had before the company took those steps. The normal process that is involved when a company shuts down does not result in any additional cost for the Employment Insurance fund.

[English]

Mr. Tony Martin: Have you done a broad consultation on this before you put it together and presented it in the House? Not just with the labour groups.... I noted here that we have somebody coming before us from CEP this afternoon. I would think that particularly in small communities, where a labour strike has a huge impact, that even the business folks, the chamber of commerce, would have some concern, because not only are the workers not receiving and not going to receive after they go back if they get laid off—according to the formula that you brought forward here—but they then don't have money to spend in the local businesses.

Who have you consulted with regard to this bill?

[Translation]

Mr. Guy André: I guess we should talk about the whole process surrounding changes to the Employment Insurance program, as developed by the Bloc Québécois—this bill, as well as others like it. Consultations were held with unions, obviously, as well as with employers and other institutions.

I would like to provide an example with respect to the waiting period—the bill proposing the elimination of the waiting period and this bill. Employers are not always very happy about leaving their employees without any income when there is a waiting period, because of a lockout or a temporary layoff.

When the Employment Insurance system is enhanced, I think all of society benefits. That is why, generally speaking, measures proposed in bills that deal with Employment Insurance are often very well received by employers, employees, social and community groups, socioeconomic groups and chambers of commerce. They know full well that when you deprive a group of people of income, you are penalizing the entire community. The workers are poorer as a result, meaning that they are unable to buy anything, and this sometimes has repercussions for the family and the children.

Overall, the measures proposed in Bill C-395, as well as in the other bills, were developed by the Bloc Québécois following consultations with a wide variety of socioeconomic actors in Quebec.

•(1605)

[English]

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

We'll now go to Mr. Komarnicki, please.

Mr. Ed Komarnicki: Thank you, Madam Chair.

I'll direct my question to Mr. André.

I notice that the coming-into-force provision specifically refers to it coming into force on January 1, 2008. Why did you choose that specific date? Can you give us the significance of it?

[Translation]

Mr. Guy André: In terms of the significance of this measure, let us just say that it became important when the labour dispute arose in Lebel-sur-Quévillon. It was then that workers were locked out of the plant—425 workers received no support through the Employment Insurance program. It is because of this lengthy, three-year labour dispute that we are proposing that it be retroactive.

[English]

Mr. Ed Komarnicki: But of course the bill is not specific to that situation. Do you agree with me? It will cover anyone in the 2008 to 2010 period who might not have qualified for EI because of lack of hours. This bill will potentially allow them to qualify now and go back to 2008, or maybe 2007 and further, if you're going to count the days on a lockout or strike as days that count for the qualifying period.

Is that correct?

[Translation]

Mr. Guy André: If your government wants to suggest that we go even further back, you will certainly get no argument from the Bloc Québécois. If you want to go back to 2004 or 2005, I am confident that the Bloc would support you.

It is important to remember one thing about this labour dispute that affected many workers in 2008: it had important repercussions, it caused an injustice—

[English]

Mr. Ed Komarnicki: I'll stop you there, Mr. André. I appreciate that you are talking about this specific conflict, but I'm asking whether it would apply to other situations that occurred from 2008 to 2010, and perhaps even before that, because the act is not specific to a situation. That was the question.

[Translation]

Mr. Yvon Lévesque: This change in the legislation is being proposed with a view to correcting a flagrant injustice from the time when it occurred. There is no doubt that this bill is aimed at a particular group of workers. However, could it also affect other groups of workers? We specifically state in that regard... As is the case for protective reassignment, and for inmates, for instance, for whom there is an exception, the idea here is to create an exception in the Act for this type of worker who... We are not talking about workers who were laid off in 2007 and who had not accumulated the required number of hours. Could they avail themselves of this measure? No, they could not; only workers—

[English]

Mr. Ed Komarnicki: I take it, then, that you have not directed your mind as to whether it would have broader or further applications, or what it might cost. Is that correct?

[Translation]

Mr. Yvon Lévesque: It would be similar kinds of applications, yes—all across Canada. If other workers suffer the same fate as these workers, it would apply to them.

[English]

Mr. Ed Komarnicki: And have you ascertained how many of them there might be and what the cost might be?

[Translation]

Mr. Yvon Lévesque: According to research, only one labour dispute in recent years has lasted as long and would give rise to entitlement under the program—even now, that continues to be the case.

And we are not even talking about 425 workers. At the time the company decided to shut down, approximately 180 of these workers would have been entitled—or would be entitled today—to benefits under this new measure.

• (1610)

[English]

Mr. Ed Komarnicki: I gather you haven't made this bill specific to that situation; you've made it general. If I understand what you're trying to say here, it is that the qualifying period from when they were working would be extended by the same amount of time or number of days that they may be on strike or lockout. In essence, you're indirectly attempting to qualify a person by using the hours that they are on strike, notwithstanding that they're not available for work for that particular employer and in fact are not engaged, so to speak, in that enterprise.

Am I understanding that correctly?

[Translation]

Mr. Guy André: I do not see why, following a lockout, workers who have contributed to Employment Insurance for 20 or 25 years—like their employers—and who have never received even a penny in EI benefits, would not be entitled to Employment Insurance. We are talking about a lockout here—a situation where a company shuts down for three years.

That is inconceivable. It is unfair.

[English]

Mr. Ed Komarnicki: Excuse me.

If I understand you correctly, in essence, if the hours that you're on strike count towards your qualifying period so that you can get EI, and if you accept the fact that both the employer and the employee pay premiums, one would indirectly come to the conclusion that the employer would be paying during those strike hours towards the employees' potentially getting a benefit, even though they're not available for work and are not engaged with that particular business.

Do you think it might be unfair to the employer to have that happen?

[Translation]

Mr. Guy André: As for whether it would be unfair to the employer, I would say, first of all, that these employees still have a job attachment. As long as a labour dispute, a lockout or a strike is underway, employees retain their job attachment. They are not working anywhere else and they are caught up in this dispute, in a single-industry town where the only available jobs in the municipality happen to be with a company that has locked out its workers.

Consequently, I do not see why they should not be entitled to Employment Insurance benefits. Whatever the qualifying period, they contributed to the Employment Insurance fund. As I say, this does not penalize the employers. When employers lay off workers who end up with no financial resources, those employers are generally not very proud of that outcome.

A social program, such as Employment Insurance, has to be there to help workers who end up in this kind of situation. That is what we are trying to do through this bill.

[English]

The Chair: Thank you very much.

We'll begin our second round, which will be a five-minute round.

We'll begin with Mr. Savage, please.

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

First of all, let me congratulate you both on getting this bill to this stage, Mr. Lévesque for inspiring it based on what you've seen in your own community and Mr. André for the work that you've done in taking it this far.

I don't know that I have a question. I may have a little comment, and then I'll just leave it to you.

People who are on strike or who are locked out do need some protection under the EI system. And there's another classification of people. I'm not sure whether this is where Ed was going or not, but another group of people who have been hurt in this recent recession are people who have seen their hours reduced by a company that is struggling and has had to reduce the hours of their employees, in some cases for an extended period of time, and then lays them off because they've closed. Then those people haven't had the number of hours they need to qualify for EI benefits. And they're stuck, because if they're told that they have to go on reduced hours and they quit their job, they don't qualify for EI because they have left their job. If they stay with the company and then get laid off, that could impact their benefits as well.

I wonder whether you have any thoughts on that.

Do you have any thoughts on that piece of it, Mr. André?

• (1615)

[Translation]

Mr. Guy André: Indeed, in a dispute of this kind, some workers could work a certain number of hours and not be eligible for Employment Insurance. Some workers may have worked a certain number of hours even before the labour dispute began. In some cases, workers are able to work for the company and accumulate the required number of hours to be eligible for EI. Those situations exist.

However, there are other situations that can arise, such as a lengthy strike or lockout. As you know, employers do not necessarily rehire all the workers who were locked out or on strike for several years. In those cases, once again, we could be dealing with a situation where 50% of the workers are rehired and will be earning income. The other 50%, if there are layoffs following a lengthy labour dispute, will not be eligible for EI. Again, they are penalized.

Mr. Yvon Lévesque: It is important to consider the context. You cannot compare Lebel-sur-Quévillon to places like Trois-Rivières, Toronto, Sarnia, Windsor or Hamilton. In Lebel-sur-Quévillon, we are talking about 425 workers out of a population of approximately 990 workers. I did some calculations to see what the equivalent would be for Montreal. The 425 workers who lost their jobs in Lebel-sur-Quévillon would represent the equivalent of 55,000 jobs lost in Montreal. As was the case in Lebel-sur-Quévillon, if Montreal were suddenly to lose 55,000 jobs, there would be challenges for the rest of the population. There is the disadvantage of being in a large city, compared to Lebel-sur-Quévillon, which is a small town, with a very tight-knit community. The work was shared and people working for businesses in the town shared the available work so that people could accumulate the necessary number of hours. They had that opportunity, whereas a worker who has been locked out or who is on strike does not.

If you do not mind, could I just say, in response to the question asked earlier, that we are not asking that the number of hours during the strike or lockout be calculated; we are asking that this period not be included in the calculation and that it be carried forward instead to the time when the strike or lockout began.

[English]

Mr. Michael Savage: I just have 30 seconds.

The Speaker has indicated that this will need a royal recommendation. How confident are you that the government will give it a royal recommendation? Second, when issues of EI come up, there is a legitimate question as to whether in fact a royal recommendation should be required, since we're talking about an EI fund rather than the consolidated revenue fund. I wonder whether you have thoughts specifically about the royal recommendation on this bill.

The Chair: You just have a few seconds to answer that, so do so quickly, if you could, please.

[Translation]

Mr. Guy André: Briefly, the purpose of this process is to pressure the government into giving this bill the royal recommendation. We want Employment Insurance enhancements to be brought forward. All of the bills we are bringing forward are intended to help workers deprived of income; that's all.

[English]

The Chair: Thank you very much.

We will now go to Mr. Vellacott, please.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Fellow colleague, Mr. André, I want to come back to a question that was raised earlier by Mr. Komarnicki. He was at least moving into that territory.

In Bill C-395, it's clear that you want employees to get benefits during a lockout period. To reframe, rephrase, or repeat the question, do you think employers should get a payroll holiday, with no payroll taxes, or some type of compensation when employees go on strike?

In other words, as we know, both employers and employees pay premiums. We've had it taken off our cheques. How fair is it to give one side more benefits than the other? It's what you're in effect doing. You're giving some benefits to the worker at that time, but no

work gets done. Should the employer get a payroll holiday or some type of compensation during that period of time?

• (1620)

[Translation]

Mr. Guy André: While a labour dispute or strike is ongoing, if the employer does not hire back the workers, there are no premiums being paid, and nor do employees contribute to EI.

[English]

Mr. Maurice Vellacott: He's still paying for the individuals who are on strike over that period of time, is he not?

[Translation]

Mr. Guy André: No, there is no cost under the EI program.

[English]

Mr. Maurice Vellacott: Is this true? I don't know if it's true.

[Translation]

Mr. Guy André: Yes, it is.

[English]

Mr. Maurice Vellacott: During the period of the strike, is he not paying? I think he's still paying benefits.

[Translation]

Mr. Guy André: A worker does not make EI contributions during the strike. Absolutely nothing is paid.

[English]

Mr. Michael Savage: There are no benefits.

Mr. Maurice Vellacott: We'll have to check more on that.

If the government in effect compensates one side of the bargaining process by way of what you're suggesting here, how do you think it affects the negotiations between the employers and employees? In a sense, will it have any effect if the government is basically funding one side?

I think it's a fair question to ask. You may feel there's no effect at all. The government is funding one side, and the employer is getting nothing at that point.

[Translation]

Mr. Guy André: First of all, I do not think the employer is compensating the workers, nor is it the other way around. It is a right; it is as simple as that. We are talking about workers who paid into the Employment Insurance program for many years and, at the end of a lengthy labour dispute, they are entitled to receive benefits; it is as simple as that.

In my opinion, this should not really pose a problem. Also, we all know that employee and employer EI contributions allowed the government to build up huge surpluses for many years. We are talking about \$60 billion in the Employment Insurance fund, and an additional \$19 billion that will be added to it in the next few years.

I think it is the employees who are penalized in a situation like that, not the employers, because the contributions they made are not being used to support the workers.

[English]

Mr. Maurice Vellacott: Okay. Thank you.

I accept the fact that the employee has paid in, but the employer has also paid in over that period of time. It's not only one person paying into the EI fund.

Have you done a costing for the bill with respect to how much this bill might in total cost the federal treasury?

[Translation]

Mr. Guy André: As I said, the example we have given concerns 425 workers. So, in this case, we are talking about approximately 180 workers who would have received Employment Insurance benefits for 50 weeks. I will let you figure out how much that amounts to. I believe the Committee can do the number crunching. It is not an enormous amount. That is why we are proposing measures to enhance the Employment Insurance system, or abolish the waiting period. Once again, the government has built up huge surpluses thanks to employer and employee contributions—some \$60 billion.

Do the arithmetic; I am sure you will have several billion dollars left over to offset the deficit on the backs of workers, as is the case now. These are not very costly measures.

[English]

The Chair: Thank you very much.

Madame Beaudin, please.

[Translation]

Mrs. Josée Beaudin (Saint-Lambert, BQ): Thank you very much, Madam Chair.

Colleagues, thank you very much for being here today to discuss this bill.

If I understand you correctly, you are proposing that, when there is a work stoppage caused by a labour dispute, workers who find themselves with no income benefit from an exception, such as the ones that exist for inmates and individuals who can no longer work or have no income because of illness. You would like to see another exception under the Act for these workers with no income.

Mr. Lévesque, you made an interesting comment earlier when you were talking about what happened in Lebel-sur-Quévillon, and I would like to come back to that. You said it is a single-industry town and people are anxious to hang on to their jobs because opportunities to work in other companies are extremely rare.

At the same time, you talked about the economic situation. You are right that this could prompt an employer, after a three-year lockout, for example, to lay off employees, which is what happened in your area.

I would like to know whether you think this bill would give some power back to employees, or at the very least, reassure them, and perhaps limit a tendency to go to extremes by engaging in mass layoffs when a strike or lockout lasts a certain number of years.

•(1625)

Mr. Yvon Lévesque: I do not think the bill *per se* gives more power to other workers or employers. It is simply intended to do justice to workers who make contributions for 30 years and, in some cases 40 years, and who need protection when a company shuts down.

If a company that is in financial difficulty decides one day to force its workers to strike or locks them out in order to protect itself and try to turn things around, well, workers have no control over that. The bill is simply intended to do justice to those workers.

For example, someone who is in prison—this is strange—is entitled to 104 weeks of benefits. That is well established. But it is different for a worker who is on strike or has been locked out.

We have just been through a lockout that lasted more than three years, that workers had absolutely no control over. There were small businesses in the area. Some people, while their colleagues were making sure that no other workers would take their place, went out into the surrounding communities to collect “Employment Insurance stamps”—that is the expression they use. They set up a rotation.

On the other hand, some 180 workers were unable to find jobs in the surrounding area, the closest town being 170 kilometers away. So, the company shut down and the workers do not have access to EI. How much do you think their houses are worth now that the company has shut down and there is no other business in the region?

These people paid \$150,000 or \$200,000 for their homes in an isolated area. They have ended up with houses that are only worth \$30,000 or \$40,000, in some cases, even though the original value was \$150,000. So, they lost everything and yet they had no control over any of it.

And this sort of thing does not only happen in Lebel-sur-Quévillon. It can happen anywhere. In a large urban centre like Montreal or Toronto, 425 workers is a drop in the bucket. The fact is that some of those workers might be able to again qualify for Employment Insurance, depending on their skills, by working in small businesses in the surrounding area; but everyone is not able to do that.

Why penalize a worker when the company he worked for did not want to lay people off, or was not honest enough to make those layoffs at the time it was shutting down? That would not prevent the company from negotiating a return to work, if the closure turned out not to be final. If it closed temporarily, workers could still exercise the rights they acquired over all those years. However, that did not happen.

Mrs. Josée Beaudin: That leads me to my next question. If this bill passes, would it be possible to avoid a situation like the one in Lebel-sur-Quévillon—in other words, where an employer waits three years before starting to lay people off, showing no consideration for the workers?

Mr. Yvon Lévesque: Well, the employer would have nothing to gain from it.

Is there any real advantage to be gained? No, there is not. It may simply be revenge for labour disputes that occurred over the years. That company had been operating for 40 years and it was a tightly-knit unionized community. I am not saying that this is what happened, but it probably is.

Mr. Guy André: To give a partial answer to that question, I would say that in some situations, there could be abuses. For example, where workers are on strike for two years—which is longer than the current qualifying period—the employer could take advantage of the situation. Indeed, knowing that the workers will have no income once the dispute is ended, the employer could use that in the negotiations. I believe this measure would prevent that sort of thing from happening.

• (1630)

Mr. Yvon Lévesque: I would like to add one quick comment.

[English]

The Chair: Very quickly. Thank you.

[Translation]

Mr. Yvon Lévesque: I was a little surprised at the decision to require the royal recommendation for this bill because, in actual fact, it will cost absolutely nothing. Indeed, under normal circumstances, if these workers had been treated fairly, they would have received compensation.

[English]

The Chair: Thank you very much.

I have one very quick question. If I heard you correctly, you were saying something about prisoners qualifying for EI. Actually, we all heard it translated that way. Did we hear you correctly?

[Translation]

Mr. Guy André: Yes, for inmates, the qualifying period is 104 weeks.

Mr. Yvon Lévesque: It is an exception.

[English]

The Chair: Okay, thank you very much.

I understand, Mr. André, you're going to be leaving us at this point and Mr. Lévesque will be staying.

We have another group of witnesses coming. Are they going to be joining you?

[Translation]

Mr. Guy André: I will sit over here.

[English]

The Chair: All right, then we'll invite the other witnesses to come to the table.

We have a bit of committee business that I'd like to take care of at this point.

I think all of you have before you the operational budget request motion. I need someone to move this motion so we can pay the costs of bringing the witnesses.

Mr. Casson has so moved.

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

The Chair: We're all done. Thank you very much.

We're ready to begin with our witnesses. We want to welcome Mario Pothier, Pierre Céré, and Michel Ducharme. We thank you so much for being here. Welcome to our committee.

We will have one of you make a ten-minute presentation, and then we can begin with questions.

Monsieur Ducharme, would you like to begin, please?

[Translation]

Mr. Michel Ducharme (Vice-President, Fédération des travailleurs et travailleuses du Québec): Thank you, we will be sharing the presentation, which will be brief.

First of all, we would like to express our thanks on behalf of our two organizations, the Conseil national des chômeurs et chômeuses and the Fédération des travailleurs et travailleuses du Québec.

Madam Chair, members of the Standing Committee on Human Resources, thank you for inviting us to appear to discuss Bill C-395.

We would like to say, at the outset, that we are in favour of this bill—at least as regards its intention—which is to make a labour dispute grounds for extending the qualifying period. I also want to take this opportunity to mention that the text of the proposed bill contains certain errors. Indeed, before establishing the reasons for the extension, it is necessary to understand the definition of “qualifying period”. That definition can be found in subsection 8(1) of the Act. The qualifying period cannot exceed the 52 weeks immediately before the beginning of the benefit period. However, the bill does not amend that definition of qualifying period.

Now let us look at the extension of the qualifying period. The Act provides for the extension of the qualifying period by an equivalent number of weeks, during the qualifying period, where the worker's situation corresponds to one of those described in subsection 8(2). The purpose of Bill C-395 is to add “work stoppage attributable to a labour dispute” as grounds for extending the qualifying period. We are very much in favour of that first proposal in the bill. In our opinion, it is part and parcel of the modernization of the Employment Insurance program. Indeed, we do not understand why it has not yet been included under the reasons for granting an exception.

Pierre.

• (1635)

Mr. Pierre Céré (Spokesperson, Conseil national des chômeurs et chômeuses): Madam Chair, I am going to take over now, as this is a brief presented jointly by the FTQ and the Conseil national des chômeurs et chômeuses.

I would like to draw your attention to the second paragraph of Bill C-395. In our opinion, this second provision, which is intended to provide for an extension greater than the current maximum of 104 weeks, cannot apply unless “qualifying period” is redefined. Under this bill, the definition remains the same—namely the 52-week period immediately before the beginning of the benefit period.

I would like to refer you to page 3 of our brief—there you have the French and English versions. These are excerpts from the relevant sections of the Employment Insurance Act—subsection 8(1), which defines the qualifying period, and subsections 8(2), 8(3), 8(4), and so on, which define the exceptions which could give rise to a potential extension of the qualifying period. You will see that, if you compare that wording with the one found in the bill, the latter only refers to subsection 8(2), relating to the reasons for granting an extension of the qualifying period, without actually amending the definition of “qualifying period”, which remains at 52 weeks.

Madam Chair, we clearly understand the intent of this bill: to bring the entire labour dispute period into the qualifying period and extend it by 52 additional weeks, to include the year prior to the labour dispute, so as to qualify workers laid off at the end of the labour dispute. I must admit that, during the first hour of your hearings, I sometimes could not believe my ears. It was said that the purpose of the bill was to allow workers to receive Employment Insurance benefits for the duration of the labour dispute. But that is not at all what this bill is about. And, if people believe that labour dispute period would entitle workers to hours of work that would allow them to qualify, once again, they are mistaken. It is important to understand what is meant by the qualifying period and potentially extending that qualifying period.

Not only do we understand the bill, but we support its intent, which is to extend the qualifying period, in some cases, beyond the 104 weeks. Furthermore, it is our view that an extension of the qualifying period beyond the current maximum of 104 weeks should also be permitted for other reasons. Here we are thinking of workers deemed to be—and I am quoting from subparagraph 8(2)(a)—“incapable of work because of a prescribed illness, injury...”.

The fact is that people who are injured at work will be covered by the provincial health and safety regime. Other people may become seriously ill and will sometimes be covered by a wage insurance plan. However, if someone spends the last two years under a WCB or wage insurance plan, upon return to work, that person will not be able to receive Employment Insurance if there have been job losses, because the qualifying period is 52 weeks and can only be extended by another 52 weeks. Again, I would refer you to subsection 8(2) on page 3. In other words, in spite of the reasons stated for a possible extension of the qualifying period—which include illness, injury, inmate status, receipt of severance pay, and so on—the maximum is 104 weeks. It would be possible, however, in the spirit of this bill—and understanding the intention behind this—to provide for exceptional situations where the 104 weeks could be somewhat exceeded.

I would also like to draw your attention to the Quebec Act respecting Parental Insurance. This is not the first time that I have been here, and it is not the first time either, ladies and gentlemen, that I have talked about the Quebec Act respecting Parental Insurance. This Act is an extension of the Employment Insurance Act. Starting in 1998—and this came into force on January 1, 2006—Quebec repatriated part of the Employment Insurance Act—the part of the Act that deals with maternity and parental benefits. When that legislation was introduced in 1998, and finally passed in 2006, it was based on the Employment Insurance Act.

● (1640)

However, we looked at it and tried to modernize it. We tried to modernize it with respect to the eligibility criteria, the calculation of the benefit rate and the benefit period claimants are entitled to. Again, I would refer you to our brief. I hope you have it. On page 5, you have excerpts from the Act respecting Parental Insurance that relates to the qualifying period and the extension of that period. I repeat: the Act respecting Parental Insurance that has been implemented in Quebec is an extension of the Employment Insurance Act. In Quebec and at the federal level, it is considered to provide the equivalent of Employment Insurance benefits.

When I say that we have modernized that part of the Act, what that means is that the Quebec government met with a wide variety of civil society representatives. People like myself, people from union organizations, employer associations and government institutions all contributed to the Act respecting Parental Insurance. The purpose of this long preamble is to ask you to look at page 5 of the brief that we tabled, and specifically subparagraph 31.2(1)(d) of the Regulation respecting parental insurance plan premiums. There you will find the provisions that mimic subsection 8(2) of the Employment Insurance Act with respect to the reasons that can give rise to an extension of the qualifying period. In that regard, Quebec has added a strike or lockout as a potential reason for extending the qualifying period.

We believe that the federal Employment Insurance Act should take its inspiration from that statute. It is our view that the very minimum provision the House of Commons should consider would be to make labour disputes—which were completely forgotten, as we mentioned a little earlier—a reason for extending the qualifying period, along the same lines as the other reasons set out in subsection 8(2) of the Employment Insurance Act. It is simply a matter of adding labour disputes, strikes and lockouts to the list of reasons.

Madam Chair—and I will end on this—this is not a partisan matter. There really is no partisanship involved here. It is our humble opinion that the Standing Committee on Human Resources could easily and unanimously propose that the Parliament of Canada pass this legislative measure. What do you think?

[English]

The Chair: Thank you very much for your presentation.

We will begin our first round of questions. We are going to begin with five-minute rounds, but we're just going to confirm what time the bells will ring. If they ring at quarter after and we do five-minute rounds, everybody....

Is it half-past? Okay. We weren't quite sure.

Then let's start with seven minutes, and we all should be able to get a round. We'll begin with Madame Minna.

Hon. Maria Minna: Thank you, Madam Chair.

First of all, I want to say that I like the bill. From your presentation, it has been very clear that the people who are on strike and then subsequently return to work and are fired or let go or the company shuts down, or what have you, shouldn't be penalized for the time that they were either locked out or on strike. They're actually not unemployed. They're not off the payroll. They're actually still employees of that company; they're just not being paid for that period. There's the penalty. So I understand, and I don't have great problems with the bill as such, I must say.

I asked some questions earlier of our colleague who has put the bill forward. One of the questions that is being asked and has come up with us is will this—and as you are with labour, I think it's important to ask you—cause an undue advantage for labour? In other words, if the employees know that they are not going to lose out on the amount of time that they're on strike, would that in any way make it more difficult for negotiations, that labour gets an advantage in that way?

This is something that has been raised, and I don't buy it, but I really want to hear from you as labour representatives about what you think, having been in situations like that and obviously having negotiated walkouts or labour disputes before. How would this play into that?

• (1645)

[*Translation*]

Mr. Michel Ducharme: I do not see what role that could play. I have been representing workers for more than 35 years now. I do not know of any worker who wants to go on strike; it is the ultimate step under our system of bargaining. It is time that the legislation was brought up to date. Strikes and lockouts are part and parcel of a labour relations system that is recognized by our laws in Canada and Quebec. These are not illegal actions; they happen. In terms of entitlement to Employment Insurance benefits, I want to stress the fact that we established a system to protect people when they lose their jobs.

We are all paying into that system, both workers and employers and these contributions are intended to protect us in cases of plant or company closures. That is part of what makes them legitimate. When a labour dispute arises when a collective agreement is to be renewed, the idea is to save jobs. Some unions provide strike pay, but the whole idea is not to be off the job, but rather to save that job, preserve working conditions and reach an agreement. If that turns out not to work, that is something the worker has no control over. The workers pay into the system for 25 or 30 years, and are working for a company that has always operated and has never had layoffs. Then, from one day to the next, the company shuts down. It is illogical for people not to be eligible for Employment Insurance benefits in those cases. That is precisely the whole purpose of these benefits.

[*English*]

Hon. Maria Minna: Thank you.

I have another question.

[*Translation*]

Mr. Michel Ducharme: I do not know whether Mr. Pothier wants to add something.

Mr. Mario Pothier (As an Individual): I have a hard time understanding how people could think that, if this bill were to pass, it could prejudicially affect negotiations. We want workers to be eligible once the closure has been announced. At that point, negotiations have ended. The decision has been made, the company has shut down, and that is when the workers would be affected by this bill. I do not see how it could have a negative impact on negotiations.

[*English*]

Hon. Maria Minna: Thank you.

My only other question is probably shorter, and that has to do with the extension of the qualifying period if there should be a labour dispute, and whether that should continue to be without a specified maximum or it should be a maximum of 52 weeks, as it is for the other extensions that already exist for illness and injury and so on. I think your bill takes it beyond the 52. Maybe you can elaborate on that a little bit.

That's my last question, Madam Chair.

[*Translation*]

Mr. Mario Pothier: I do not think there should be any defined timeframe. A little earlier, some of the questions that were asked had to do with whether this happens often. In the history of the Communications, Energy and Paperworkers Union of Canada, which represents 150,000 members across the country, the longest strike was the one in Lebel-sur-Quévillon, and the second longest was much shorter. This is not something that occurs frequently; these are exceptional cases. As a result, I do not think there should be a limit.

[*English*]

Hon. Maria Minna: Thank you.

The Chair: Thank you.

There's a very little bit of time if you want to use a bit of it.

[*Translation*]

Mr. Pierre Céré: I have discussed this with others who have expertise as regards the application of the Employment Insurance Act. Based on the current wording, Bill C-395 would not provide for an extension longer than 104 weeks, because the qualifying period has not been redefined. In our opinion, there is a difference between adding a new reason, under subsection 8(2), whereby the qualifying period could be extended—in this case, a labour dispute—and going so far as to redefine the qualifying period in exceptional cases. This makes it possible to include workers who become injured, are involved in industrial accidents, become ill, or are affected by labour disputes or situations of considerable length.

[*English*]

The Chair: Thank you.

We'll go to Mr. Lessard, please.

[*Translation*]

Mr. Yves Lessard: First of all, I would like to thank you for being here to provide your testimony on this important bill. I have two questions for Mr. Pothier and Mr. Ducharme, who is also from the union, I believe.

You are a worker from Lebel-sur-Quévillon and a member of the union, Mr. Ducharme. I have two questions which relate to the way the rules apply during a labour dispute.

I also have a question for you, Mr. Céré, regarding eligibility for employment insurance.

Mr. Vellacott's comments earlier raised a matter of interpretation as regards the rights of the parties during a labour dispute. I myself have been involved in negotiations in the past, and unless things have changed, everything goes back to neutral—if I can put it that way—meaning that there is no advantage for either party and no contributions are made by either one for the duration of the dispute. Perhaps you could let me know whether that continues to be the case.

I am going to ask you my three questions so that you have time to answer. The other question—and Mr. Pothier has already partly answered this—has to do with the number of labour disputes. In order to be eligible for employment insurance at the end of the labour dispute—because it is only at the end that you are eligible for EI—there must have been a company closure or temporary layoffs. How many such labour disputes occur in Quebec? You work in labour relations, so I would be interested in knowing how many known cases could be affected by this legislation? Those two questions are addressed to you.

I will also put my question to Mr. Céré right away. Does this give a special advantage in terms of eligibility for employment insurance? Does it give special rights to certain workers in terms of eligibility during a labour dispute, or is it just a matter of applying the rules that already exist?

• (1650)

Mr. Michel Ducharme: With respect to your first question, I would say that during a strike or lockout, there is no longer any advantage. Nothing has changed, and everything is still the same. The employer no longer has any costs to defray. The costs for an employer are connected to the payroll. During a strike or lockout, no wages are being paid, no benefits either, and not one cent is remitted.

In response to your second question regarding the number of labour disputes, I obviously do not know of any others that lasted as long as the one in Lebel-sur-Quévillon. Could there have been other ones? Certainly. In recent year in Quebec, we have started to see fairly lengthy lockouts—more than a year in length. So, this certainly could have happened elsewhere.

I recall one labour dispute that was particularly difficult, which everyone is aware of—at least people in Quebec—and that is the one that occurred at Vidéotron. The issue in the negotiations with Vidéotron, whose employees had been locked out, was jobs. The employer wanted to eliminate all the technician positions, and it was so determined to do that that an entire fleet of trucks had been sold. The situation was clear: it was the point of no return. That dispute, which lasted more than a year, ultimately had a happy ending, because the employer made a commitment to keep its technicians and bought another fleet of vehicles. So, there was a happy outcome in that case.

Had the reverse been true, hundreds of workers might have lost their jobs at the end of the labour dispute. The situation would have

been exactly the same, where people had made Employment Insurance contributions throughout the period they had been working, but then ended up in a labour dispute that they did not want. They would have ended up, once the labour dispute was over, with no jobs as a result of a decision that they had not made, and therefore, they might have ended up in the same position as the workers in Lebel-sur-Quévillon. They would have paid into the EI fund throughout their lives, as workers, without being able to receive benefits.

Mr. Mario Pothier: I would like to take a few seconds, if you do not mind. It is important to have a clear understanding of this. The question was whether there are a lot of labour disputes that last more than a year, or more than 52 weeks, and which result in a closure. The answer to that is no. That is clear.

Mr. Yves Lessard: [*Technical difficulties—Editor*] ... qualifications.

Mr. Pierre Céré: In terms of qualifications, would that mean they have more rights? The answer is no, their rights would be equivalent to those of other workers in the following way.

There is a qualifying period that precedes the application for EI benefits. Let us take the example of a labour dispute that has ended. People are expecting to go back to work. Some lose their jobs, because there is a closure or positions are cut. When that happens, they apply for EI benefits. What does the Employment Insurance Commission do at that point? Well, it ascertains whether these individuals have worked in the course of the last year. If they were involved in a labour dispute during that last year, there are no hours of work, and therefore they are not eligible for employment insurance. And yet these people worked for many years prior to that. The Act does not include labour disputes as a reason for extending the infamous qualifying period. In Quebec, as I mentioned previously, the parental insurance plan does include that reason.

If a new paragraph (e) were to be added to subsection 8(2), to provide for labour disputes to be included as a reason for extending the qualifying period, those people could receive benefits after losing their jobs. We are not saying that everybody who is on strike or locked out should be able to claim Employment Insurance benefits. However, if workers lose their jobs following a labour dispute and apply for EI, the qualifying period would be extended by a number of weeks equal to the number of weeks they were involved in the labour dispute. If someone was affected by a labour dispute for nine months in the previous year, that person would therefore be entitled to a nine-month extension. The work time associated with the labour dispute would be included so that people who had lost their jobs could qualify for benefits. Subsection 8(2) of the Act also includes other reasons. It is highly technical, but it is important to understand that in order to see the rationale for the bill.

• (1655)

[*English*]

The Chair: We'll go to Mr. Martin, please.

Mr. Tony Martin: Again, thank you very much for helping us understand more fully the implications of both doing this and not doing it.

One of the questions that was raised earlier was this issue of how much and who will pay. It seems to me—maybe you can help me understand, though I think I understand—money paid out in employment insurance benefits comes from the fund that is contributed to by both the employer and the employee; it's not the government. In the past the government has taken that money and put it into its general account and used it for all kinds of things, including paying down the debt and in some instances passing on huge corporate tax breaks to big companies. But there hasn't been much consideration for the needs of workers in special circumstances, such as the ones you're presenting here today.

Do I have that correct?

[Translation]

Mr. Michel Ducharme: Employment Insurance benefits are paid out of the contributions to the EI fund made by workers and employers. The government does not put any money into that fund. The benefits applied for under the EI program are paid for out of employer and worker contributions. The costs are connected to the contributions made by both parties. The government does not put any money into the Employment Insurance fund.

[English]

Mr. Tony Martin: The next question I have goes back to when unemployment insurance was first set up. It seems to me it was supposed to be a program that would do two things. One, it would make sure that workers who lost their jobs had some income while they looked for another job. It would save workers from having to go bankrupt, which would cost the whole system.

On the other hand, it was set up so companies wouldn't find themselves in court over issues with employees when workers lost their jobs. That fund would be there to help the company move those employees on, or even keep them around until the economy got better and they could hire them back again.

There was a benefit to both when unemployment insurance was set up.

You're asking simply that we continue in that spirit, particularly for the worker. You're asking that some bridge be provided from the end of the period of a strike when the company doesn't hire workers back, or the company dissolves, so the workers can keep going until they get their next job or the company gets back into business and can hire people back.

Is that correct?

• (1700)

[Translation]

Mr. Michel Ducharme: Did you get that? Personally, I had trouble following the translation. In any case, it is clear to us that EI benefits paid to workers who have lost their jobs are intended, first and foremost, to allow them to avoid going bankrupt. As we have often said, it is a highly productive measure for the local economy, where there have been layoffs and job losses. It is a way of preserving the economic life of these regions. In that sense, we see it as an important and productive measure.

Mr. Yvon Lévesque: It is not always easy for company owners, if they find themselves forced to lay off a highly skilled worker. They

are always afraid that that worker might leave the area to go and work elsewhere, and that he will no longer be there when the business is able to start up again. In Level-sur-Quévillon, if the workers had been eligible for employment insurance when the lockout ended and the company finally shut down for good, many of them would have stayed. Indeed, the municipality tried very hard to get the company to start up again. However, all the other companies who were approached realized that most of the skilled Domtar workers had already left the municipality. In that isolated town, trying to bring back skilled workers once they have left is not an easy task. And, given what they had just been through, it was even more difficult. Had they received Employment Insurance benefits, most of those workers would probably have stayed behind and helped the municipality try to start up the company again. That is a strong economic argument.

[English]

Mr. Tony Martin: It says to me that what we have here is a natural evolution of a system that was put in place to protect workers and companies, I think.

Before Christmas we extended employment insurance to cover self-employed workers so that they could buy in. I believe they've done that in Quebec as well. That was an evolution of the program to take in more people and to be more helpful. It seems to me to make sense in this instance, when you've identified a place where workers need some help, and that it would be helpful, actually, overall. I have no reason to think that this isn't something we should be supporting in this place.

Thank you very much.

The Chair: Thank you.

We'll go to Mr. Lobb.

Mr. Ben Lobb (Huron—Bruce, CPC): Thank you, Madam Chair.

Thank you, guests, for taking the time to come here today.

For the benefit of the committee, would you be able to tell us what the longest outstanding labour dispute is that you have on record? I'm just curious.

[Translation]

Mr. Michel Ducharme: At the *Journal de Montréal*, the lockout started over a year ago. I believe it is the only lengthy labour dispute at this time. Job losses are bound to follow.

[English]

Mr. Ben Lobb: Did you say that it was one year?

• (1705)

[Translation]

Mr. Michel Ducharme: More than a year.

[English]

Mr. Ben Lobb: That hasn't been resolved to date. The legislation or the bill that's brought forward is targeted to a very few situations. I think we all agree on this. This is not something that is going to occur every week. Let's hope not, anyway.

I guess the point, based on that one example of the situation in Montreal we just spoke of, is that this bill may not provide much help for them. I'm just wondering, when we look at extending the qualifying period to 104, why the bill doesn't extend it to 1,004. I'm just curious. I just wonder what your thoughts are on that.

Obviously, it's very specific. It's very targeted. Yet we see one case here where possibly this bill won't help those people this bill is trying to help. I'm just wondering if any of you could give me some insight on that, because it seems to me that a bill is being put before the committee that may already fail the people it's trying to help. I'm just trying to get an understanding of that, please.

[Translation]

Mr. Michel Ducharme: We have two comments in that regard. First of all, labour disputes should be included in the exceptions. We find it incomprehensible that it would not be included among the exceptions.

Also, if that exception were to be introduced into the Act right away or tomorrow, we would not have resolved the problem in Lebel-sur-Quévillon. It is quite clear that even if this exception were to be brought into the Act tomorrow morning, it would not affect disputes that have been ongoing for more than two years.

That is why we say that what is needed is an exception with respect to the qualifying period and an extension of that qualifying period. It has to be extended, because otherwise, we will not be including those cases that are even more rare, such as what happened in Lebel-sur-Quévillon.

Mr. Yvon Lévesque: Could I just add something?

[English]

The Chair: Go ahead.

[Translation]

Mr. Yvon Lévesque: Thank you. In this case, we are not talking about providing protection for a prior period, but it is a question of fairness. This issue only became apparent because of the way modern companies are run. Such a scenario was not envisaged by the legislator when the original legislation was tabled.

As legislators, our job is to correct possible inequities in legislation. This is a flagrant inequity, which became obvious when this labour dispute ended. Experiencing a labour dispute such as this does not protect anybody else. This dispute happened. The one at the *Journal de Montréal* has still not been resolved. It could take a long time. Supposing the labour dispute at the *Journal de Montréal* goes on for an additional 13 months. That would be longer than the period which entitles workers to EI, and we would be facing the same problem as what occurred at Lebel-sur-Quévillon. The whole idea is to avoid these kinds of issues surfacing in future.

Let us take the example of subsection 8(7) of the Employment Insurance Act which is being amended. It says that “despite subsection (7), the extension of a qualifying period may equal the

duration of the period of unemployment due to a labour dispute”. So, we are talking about the period during which there was a labour dispute. It is by that length of time that the qualifying period must be extended.

Perhaps we could explain it this way. Once a labour dispute—

[English]

Mr. Ben Lobb: Thank you.

I have a couple of other questions.

On the idea of a labour dispute, in Ontario anyway, I guess the English term is a wildcat strike, a strike that does not come at the end of a collective agreement. I don't know what the translation for that would be. This is when the workers simply walk out. In my working career, I've experienced this not as a union worker but on the other side. A wildcat strike was an interesting experience, to say the least. In the purview of this bill, does this fall under the definition of a labour dispute?

[Translation]

Mr. Michel Ducharme: I did not understand that term. Oh, you were talking about a wildcat strike.

We are obviously making our views known because we think this is a worthwhile bill. It fits within the framework of current legislation. This is about labour disputes that are part and parcel of the current system of bargaining and labour relations set out in existing labour codes, both in Canada and Quebec. So, these are legal labour disputes.

They have occurred in the past.

• (1710)

[English]

Mr. Ben Lobb: I'm thinking of another potential labour dispute. What if an employee finds a working condition unsafe and puts in a refusal to work? Would that be considered a labour dispute? Let's say a business has been run down to a certain point and there was a labour dispute because of a working condition. If a group of employees or all the employees put in a refusal to work, would that be considered a legal labour dispute under this bill?

The Chair: You have a very short time in which to answer.

[Translation]

Mr. Michel Ducharme: When workers deem a situation to be dangerous, under the provisions of the Act respecting Occupational Health and Safety, they have a right to refuse unsafe work, but that right does not last for ever. The Commission de la santé et de la sécurité du travail du Québec obviously carries out an investigation and then hands down a decision. That is how those situations are resolved. We are not talking about a strike here.

[English]

The Chair: I'm sorry, Mr. Lobb, your five minutes are up.

Mr. Ben Lobb: Isn't it seven minutes?

The Chair: I'm sorry. Yes, it's seven minutes. You've had your seven minutes.

Mr. Ben Lobb: Let's go for nine minutes.

The Chair: We're not going for nine minutes, but it was a good try.

I want to thank the witnesses for being here. We are going to dismiss you at this time. We have a little committee business to look

at. Thank you so much for being with us and for the information you've provided.

Thank you.

[Proceedings continue in camera]

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