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Chair: Mr. Robert Morrissey

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• (0815)

[English]

The Chair (Mr. Robert Morrissey (Egmont, Lib.)): I call this meeting to order. It is 8:15, and the clerk has advised me that we have quorum. The witnesses and committee members who are appearing virtually have been sound-tested, and all are good.

Welcome to meeting number 107 of the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities. Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person, as well as remotely using Zoom.

I would like to give a few points to the participants.

Please wait until I recognize you by name before speaking. If you are participating by video conference, you can click on the microphone icon to activate your mic. Please mute yourself when not speaking.

Those on Zoom have the choice, as do those in the room, of participating in the official language of their choice. In the room, interpretation is available using the headset and earpiece; just select the language of your choice. Those appearing virtually can click on the globe icon at the bottom of their Surface and choose the language of their choice.

If there is an issue with sound quality and interpretation, please get my attention. We'll suspend while it's being corrected. Those appearing virtually, use the "raise hand" function.

As well, please direct all questions and inquiries through me, the chair.

Those in the room, please remember to keep your earpieces away from the microphones to prevent injury to the interpreters, who do an extremely valuable service for us. As well, if you could remember to speak slowly, that will give them the opportunity to translate effectively.

Pursuant to the order of reference of Wednesday, October 18, 2023, the committee is continuing its study of Bill C-58, an act to amend the Canada Labour Code and the Canada Industrial Relations Board Regulations, 2012.

Appearing in the first hour, we have, from the Confédération des syndicats nationaux, Caroline Senneville, president, who will deliver the opening comments; Ioanna Egarhos, lawyer; and Pascal Jean political adviser. From the International Longshore and Warehouse

Union Canada, we have Robert Ashton, president, by video conference. From the United Steelworkers union, we have Marty Warren, national director, who will deliver the opening statement; and Meg Gingrich, assistant to the national director.

We will begin with Ms. Senneville.

For your opening comments, you have five minutes or less, please. You have the floor.

[Translation]

Ms. Caroline Senneville (President, Confédération des syndicats nationaux): Good morning. Thank you for having us.

I'll give a brief introduction to the CSN. The CSN is a union organization dating back over 100 years in Quebec and Canada. We have over 330,000 members in all industries, in both the private and public sectors. In terms of federally regulated organizations, we represent employees in the communications and grain elevator industries. The CSN also counts the Union of Canadian Correctional Officers among its members. We call ourselves the federation of national trade unions because we're active only in Quebec and Canada. We don't have any international ties.

I'm pleased and touched to be here today. You're studying a bill of vital importance to all Canadian workers. This doesn't happen often. There are all kinds of bills. However, for Canadian workers, Bill C-58 is essential. I think that many people share this opinion. All parties in the House voted in favour of this bill at second reading.

As you know—and I'll say it again—the right to associate is enshrined in the Universal Declaration of Human Rights and the Canadian Charter of Rights and Freedoms. In recent years, this right has been tied in with good faith negotiations. When we associate, we have the right to negotiate in good faith. We also have the right to use a balance of power to negotiate in good faith and obtain a good collective agreement. Two Supreme Court rulings have set out these rights.

It's simple for us. If replacement workers are allowed in the event of a labour dispute, this flies in the face of the constitutional rights of Canadian workers as they now stand.

A strike is no picnic. The decision isn't made lightly. Labour codes provide a strict framework for exercising the right to strike and for obtaining a right to strike. We must have a secret ballot. When we're alone in the voting booth and we mark X in favour of a strike, we know when it will start, but we don't know when it will end. We often talk about the economic impact of a strike. However, these effects are mainly felt by the people exercising their right to strike. The decision is never made lightly.

For us, the right to strike is part of the balance of power. When the employer can hire replacement workers, it really upsets the balance of power. It even eliminates that balance, especially in the case of a lockout. Think about a lockout. A lockout isn't a democratic decision. It's a management decision. There isn't any vote on a lockout. The employer can make the decision well in advance and prepare by hiring workers or preparing to hire replacement workers. The employer holds all the cards. The balance of power on the workers' side is gone. In our opinion, this isn't right. I would even say that it completely contravenes the spirit of the charter or the latest Supreme Court rulings.

We're here to talk about Bill C-58. We have some specific comments on the bill. We're pleased to see that it takes into account the new work reality and environment, including telework, and different workplaces. We come from a province with anti-scab legislation. We're happy about that. However, the legislation has been in place for a long time, and adjustments are needed. This federal bill is completely up to date, and we welcome it.

That said, one of our main criticisms concerns the list of exceptions regarding employees who may not be hired as scabs. We find that the list of exceptions is quite long, and that it undermines the spirit or purpose of the bill. I would say, to use an image, that we're starting to see a few too many holes, and not enough cheese.

In our view, the only real exception that justifies hiring replacement workers is when essential services must be provided. Let's be clear. Essential services come into play when people's lives and safety are at risk. In Quebec, we have operated in this manner for over 40 years. No one has ever died or gone hungry because of a strike.

● (0820)

We also hope that the Canada Industrial Relations Board will have the resources needed to ensure the implementation of this bill. When a bill is passed, only half the work is done. The next step must involve ensuring the implementation of the provisions in the bill. It's vital to have an investigative process. We're all law-abiding citizens here. However, if people knew that there weren't any police on the highway, I'm not sure that they would respect the speed limit.

In closing, since this bill is essential, we would like to see it come into force as soon as possible.

The Chair: Thank you, Ms. Senneville.

[English]

Next is Mr. Ashton for five minutes or less.

Mr. Robert Ashton (President, International Longshore and Warehouse Union Canada): Thank you, Chair.

Good morning from B.C. Thank you for allowing me this opportunity to be before you all today.

My name is Rob Ashton. I'm the president of ILWU Canada, which represents 16,000 workers in B.C. and Saskatchewan in a variety of sectors, our largest sector being the maritime sector.

Members of ILWU Canada strongly support Bill C-58, and we urge this committee to wholeheartedly support this bill to make it better for workers who vote in Canada.

Strikes and lockouts are not easy on workers, and that's why the decision to go on strike is made by the rank and file of the union. The decision to go on strike is one that workers make as a last resort to try to get a fairly negotiated settlement with their employers, but it's definitely at a financial loss for these workers.

In regard to a lockout, the worker has no say in this, and employers impose this on them to break them as a united workforce. In fact, employers use this option to cripple workers financially in the hopes they will become desperate and accept a lesser deal just to go back to work.

Employers use terms like "team member" or "you're part of the family", but then turn around and use scabs when the bottom line might be impacted. Employers that use scabs do not, never have and never will, care about their workers. They only see a path towards more profits, and in doing so, they hurt their employees, while tearing communities apart. In my opinion, employers who use scabs have no regard for these consequences.

When a strike or lockout happens, employers currently have an option to use scab labour. This puts the balance of power in the employer's hands, as it keeps their products moving, while at the same time turning worker against worker. This is a weapon of the bosses, and can and will be used to break the backs of Canadians so they can pocket more of the profits that are made off the backs of their employees.

In the history of ILWU Canada in the longshore division, scabs were utilized on June 18, 1935. This day has been immortalized as the Battle of Ballantyne Pier. On that day, longshore workers marched to the terminal to explain to the scabs that scabbing on them was not the right thing to do, and that standing shoulder to shoulder with their fellow workers would help strengthen all workers and give the longshoremen of the day a better chance at the bargaining table. What happened was these workers and allies were attacked by police and private constables with batons and other weapons, who also used tear gas as well at the women's auxiliary aid station. This, I might add, was the first time tear gas was used on Canadians in Canada. This was done just because they were there.

The use of scabs created conditions for violence perpetrated by employers and others against peaceful picketers, who were only fighting for a fair collective agreement. This attack is an example of what some employers and some governments feel is the only way to end a strike or a lockout while scabs are being used.

We wholeheartedly support Bill C-58 so that history does not have a chance to repeat itself and that will get workers get a fair shake to get a freely negotiated collective agreement by the banning of scab labour federally.

We are asking with urgency that this committee reduce the wait time for implementation of this bill to zero wait time. Canadian workers need this bill passed and put into law with zero delay to level the playing field, as they say. Canadian workers have waited long enough and expect our elected representatives to do what is right for workers.

In closing, I'd like to offer a message to the working class. If you are an environmentalist or a pipeline worker, a small shop owner or a longshoreman—we're all workers—do not let the employing class split us, as division is the weapon of the employing class.

To our elected officials as well as anyone else listening, I leave you all with a question from Pete Seeger in regard to Bill C-58—*Which Side Are You On?*

Thank you for giving me this time to speak.

• (0825)

The Chair: Thank you, Mr. Ashton.

We will now go to Marty Warren for the United Steelworkers Union.

Mr. Warren, you have five minutes or less.

Mr. Marty Warren (National Director, United Steelworkers Union): Thank you, Chair.

Through you, thank you to the clerk and to the members of the committee for the chance to join you today.

I'm Marty Warren. I'm the national director for the United Steelworkers Union. The USW is the largest private sector union in North America, with 225,000 members in nearly every economic sector across Canada, including federally regulated members in rail, telecommunications, airport security and ports.

Steelworkers have been part of the anti-scab fight for decades. Our experience shows that bans on replacement workers improve labour relations, reduce the number and lengths of conflicts, and lead to better working and living standards for workers.

Strikes and lockouts are hard enough on the community, but the use of scabs pits workers against workers, neighbours against neighbours and, sometimes, even family members against family members. Further, it leads to decades of poor labour relations moving forward.

Anti-scab legislation already exists in B.C. and Quebec. Soon, Manitoba will be added to the list. We were happy when the NDP included the anti-scab legislation in the supply and confidence agreement, and when the Liberals tabled that legislation.

That said, it still falls short. It currently has loopholes, and employers will hire scabs and not live up to the intent of the legislation. Further, the delay of its coming into force is not reasonable. It's way too long.

As you can see from our submission, we have some clear recommendations to solve the problems.

First, anyone doing the job of a worker who is on strike or locked out must be included in the ban, no matter when they were hired. As it stands, as long as they were hired or contracted on or before the notice to bargain was served, employers could still use scabs who are from outside of the bargaining unit, from other locations, managerial or confidential employees, or contractors or employees from another employer.

Of course, we accept exceptions for work needed to prevent an imminent threat to life, health and safety, destruction of property or environmental damage.

This brings me to the second recommendation, which is that an agreement about who would perform the conservation work needs to be made between both the employer and the union. The bill currently leaves it to the employer alone. If both sides can't agree, it should go to the Industrial Relations Board. Unions should have the right of first refusal to perform such work.

Third, any temporary employee hired to do conservation work cannot automatically become an employee in the bargaining unit. The current language would give preferential reinstatement to scabs over existing employees after the strike or lockout. That just doesn't make sense.

Fourth, it needs to be clear that dependent contractors are not allowed to perform bargaining committee work. The bill specifically excludes dependent contractors from the ban, even though the Labour Code defines "employee" to include dependent contractors. The exception needs to be removed from proposed paragraph 94(4)(b).

Fifth, the waiting period for the IRB needs to be cut from 90 days to 45 days. At very least, the IRB needs to issue an interim or bottom-line decision within 45 days. Employers already take advantage of delays at the IRB for months and even years. Again, that has to be fixed, not allowed to get worse.

Finally, and very importantly, the delay before the implementation of this bill, once passed, needs to be scrapped. We have heard from public sector servants with experience that there's no need for this delay. If the government is serious about the law, it needs to come into force before the next election. It's far easier for the next government, whatever stripe it may be, to scrap a law that people haven't yet been able to use.

• (0830)

Workers can't afford to wait. In just the last year, we had members at our tugboat operations in Quebec and our telecom workers in B.C. stuck on the line when scabs came through.

In both of these cases, if they had been provincially regulated, they would have had the protection of anti-scab legislation, but since they were not, they did not.

For the good of all federally regulated workers, and to set an example to the provinces who still fall short, please accept and pass these amendments, and let Bill C-58 pass for implementation.

Thank you.

The Chair: Thank you, Mr. Warren

We'll now begin the first round of questioning with Ms. Ferreri for six minutes, please.

• (0835)

Ms. Michelle Ferreri (Peterborough—Kawartha, CPC): Thank you, Chair.

Thank you so much to our witnesses for being here. Thanks for representing so many amazing Canadians across the country who literally take care of us in so many different ways.

To Mr. Warren, I have a wonderful facility in my riding of Peterborough—Kawartha, the Canadian Welding Skills college. It's a great organization, and a lot of those folks go on to be steelworkers, obviously.

A lot of the messages I'm getting from some of these steelworkers, including some of the amazing women who are in this trade, whom I'm so proud of, are that they're really having a hard time—and we've heard this from other witnesses—with housing and the cost of living. These kinds of things are impacting them to a great degree. Child care is something we've heard about from other witnesses as well.

Are these issues you're hearing from your workers as well?

Mr. Marty Warren: Yes. There's no doubt that those are the issues of the day, but I can tell you, that's why belonging to a union, having collective bargaining and having anti-scab legislation are so important. We know that those who belong to a union have a better chance to push back on inflation and to go to the bargaining table to argue about the cost of living.

For many reasons, inflation is high right now, and again, I can't emphasize enough why the anti-scab legislation is so important to level the playing field, so when workers go to bargain, to offset stuff, as you've mentioned, there's a level playing field to do so.

Ms. Michelle Ferreri: Yes, I think so, for sure.

I think one of the crazy statistics that came out this past week was that you need 64% of your pre-tax income to cover housing. It used be 34%, and now we're sitting at 64%.

When we look at retention and recruitment, or just families—I'm shadow minister for families, children and social development—you see a real stressor on the families of trying to find that housing, if they can even find it.

Obviously, you represent across the country. Are you finding some areas worse than others or finding that housing issue being a key factor?

Mr. Marty Warren: No, I think, for sure, housing is a factor for all working people, whether it's the limited amount of homes or affordable living on the market, or whether it's structural change that has to happen in the real estate market.

Quite frankly, I don't want to go deeply into it, and I respect all the realtors—they are just working within their framework—but with the idea of this blind bidding, this “I have to go in with my best offer”, we hear stories of people spending \$60,000 more on a home than the closest bid, but it was a blind bidding process. What does that do for the cost of housing? Once one house on the street sells for \$60,000 over market price, obviously, that sets the new trend.

I think there are many factors, but everybody is obviously struggling or trying to find ways to have affordable homes and affordable rent.

Ms. Michelle Ferreri: One of the girls I know, who is a steelworker—she's incredible—just sent me this message. She said that she just went to get butter, and it went from \$4.99 and increased 83% to over \$8 now.

These are simple things, when we look at the impact on these workers being able to show up for work and being stressed and all those things you also spoke about. I think it's good to hear from you guys because you represent these people who are truly building our country. It's nice to hear your feedback on that.

Mr. Marty Warren: As I said, that's why it's so important to be able to join a union and that it's not full of barriers and loopholes, and most importantly, to have a level playing field when you get to the bargaining table so that we can put those issues forward so that everybody—all workers—can afford the dream.

Ms. Michelle Ferreri: One thing we heard about from some of the witnesses as well was contract services. We know that in 2015 in the Liberal election platform, Justin Trudeau promised to save billions by reducing the use of external consultants, but in reality spending on outsourcing has increased nearly 60% from the \$10.4 billion spent when the Liberals took office.

[Translation]

Ms. Caroline Senneville: Ms. Ferreri, in my remarks, I said that this bill was essential for the working class. You used almost all your speaking time to ask questions that had nothing to do with the bill. If you want to invite us to a parliamentary committee to discuss housing or inflation, we would be happy to participate. However, this is a historic moment for working people. I would really like to hear questions about the bill.

[English]

Ms. Michelle Ferreri: Thank you, Ms. Senneville.

Then you don't think these are important questions, in terms of the workers you represent and how it impacts them. The question I just asked is in regard to external consultants, so I'm curious—

• (0840)

[Translation]

Ms. Louise Chabot (Thérèse-De Blainville, BQ): I have a point of order, Mr. Chair.

There wasn't any interpretation of what Ms. Ferreri just said.

[English]

The Chair: Please continue, Ms. Ferreri.

Ms. Michelle Ferreri: I'll go back to Mr. Warren, if I may, because we heard about external consultants from other witnesses.

I'm curious how this impacts your workers when we see an increase of nearly 60% from the \$10.4 billion that was spent when the Liberals took office.

Mr. Marty Warren: Again, I'd like to emphasize what Caroline said, as well. We're really here to talk about some important legislation that can level the playing field in collective bargaining, so people can carve out a better living for themselves and their families.

Your question, though, was....

Ms. Michelle Ferreri: It was about external consultants. We've heard from other witnesses about it.

Mr. Marty Warren: I'm going to stay in my zone, which is the steelworkers' zone and representing workers, so politically....

How many contractors are used? Yes, I'm very concerned about contracting out and offshoring in the telecom sector, but that's a separate discussion, so I'll leave it at that.

Ms. Michelle Ferreri: Okay, thanks for that.

Ms. Senneville, do you have any concerns about external consultants?

[Translation]

Ms. Caroline Senneville: I have many concerns about the bill, such as its effective date and the number of exceptions it includes. The fact remains that this bill is crucial to industrial peace. Like my

colleague here, I would say that one reason for the anti-scab legislation in Quebec is the violent incidents that occurred on picket lines and the breakdown of communities. These situations showed people the need for this type of legislation.

The Chair: Thank you, Ms. Ferreri.

[English]

Mr. Collins, go ahead for six minutes.

Mr. Chad Collins (Hamilton East—Stoney Creek, Lib.): Thanks, Mr. Chairman.

Thanks to all of our witnesses for appearing this morning.

Mr. Warren, I'll start with you.

I had the opportunity to raise USW at our last meeting—the infamous Stelco strike of 1946 and USW's fight for a 40-hour work week, as well as paid vacation. That's what I've read, because I certainly wasn't around in those days in 1946. The strike sounds a lot like what Mr. Ashton described with the longshoremen's fight many decades ago.

I've thought about Madame Senneville's opening comments, where she talked about the bill's being an essential bill. If I had to go back 60 or 70 years and say to those striking Stelco workers—who were fighting against the 2,000 scab members brought in—that it would take 70 years to get us to where we are today, I think they'd be very shocked.

Can you talk about the importance of how the implementation of this bill moves the labour movement forward and helps other unions—all those who've fought for decades and probably longer at other levels of government—try to implement the same?

Mr. Marty Warren: Absolutely.

As I said, it levels the playing field.

However, more importantly, the thing I would stress from that question is this: Everybody on this committee must understand that when there is a strike or lockout and scabs are brought into the facility, it destroys labour relations for decades. People don't forget that. I was out trying to survive on picket pay and feed my family as we watched other people, in darkened buses or what have you, going across the picket line. As I tell a lot of employers, that decision will come back and destroy labour relations for years. Our members don't forget. More importantly, I also see that a lot of the decision-making on bringing in scabs is at a very high level of employer who, quite frankly, is gone in two or three years. We, the locals and management, are left to pick up the pieces.

Again, in this global economy, if you're going to be one of those world-class suppliers or manufacturers, labour relations is the secret ingredient. If you have strong labour relations, you can get anything done. Trust. Build that relationship. Then, if you have a problem, we'll care about the problem and need to fix it. However, when you mistreat our members, lock them out and bring in scabs, all of that ability is gone, because all they remember—whether it be the father, grandfather, grandmother or aunt—is that they were locked out for six months while scabs took their jobs.

The impact on labour relations is huge, and it takes decades to try to fix that.

• (0845)

Mr. Chad Collins: Thanks.

I ask this as a supplementary question, Mr. Warren. You referenced in your opening comments the health and safety provision language that's in the bill, the “keep the lights on” provisions that are in there to ensure that services that need to continue are protected and are provided to the public. We've received correspondence from a handful of employers who've talked about the possible loss of 911 services and the inability of Canadians to travel when they need to. Can you talk about the language that's there now and what it does for ensuring that services like 911 are still available to the public after a disruption, lockout or a strike?

Mr. Marty Warren: From a union and a steelworker perspective, the idea is not to cripple the public and the environment or affect.... We need somewhere to go back to work, so having the essential services, the powerhouse running and any component of that.... To talk about travel, absolutely there's essential travel, but does that include every Canadian who wants to go on a vacation? I'm not sure. We can have that discussion. I think essential travel is this group here today who have to get in and out of Ottawa. You're running the country. Stuff like that is important. That's why the discussion, as you heard me say, needs to first be done around essential services, with the union and the employer, and if they can't figure it out, then it can go to the IRB.

I will add as a last comment that we—whether they are provincial strikes, more provincial strikes than federal strikes—worked with employers. We have our own members, and that's why it's important to talk to the union and to come in and run the powerhouse, because when the work stoppage or lockout ends with a negotiated settlement, we all need somewhere to go back to and that can get up and running in a fairly quick fashion.

Mr. Chad Collins: Madame Senneville, I have about one minute left. You referenced health and safety in your comments. Quebec, of course, has been a leader in this area as it relates to the legislation that we're dealing with. Can you talk about the statistics of how health and safety has probably been improved from not having replacement workers enter the workforce, who might not have the same training as those people who are unionized?

[*Translation*]

Ms. Caroline Senneville: Absolutely.

In Quebec, we have an essential services commission. This means that wrongdoers can be caught, but also that workers and employers can have their grievances heard.

There was a strike recently in the public sector. In this type of situation, a person working as an accountant in a hospital will certainly go on strike. However, a nurse in intensive care won't get any strike time, because their work is considered 100% essential. The same thing applies to cities, especially when it comes to public transit.

Again, it's possible to provide a level of essential services that eliminates all risks, while maintaining the balance of power. A better balance of power means shorter labour disputes.

[*English*]

The Chair: Thank you, Mr. Collins.

[*Translation*]

Ms. Chabot, you have the floor for six minutes.

Ms. Louise Chabot: Thank you, Mr. Chair.

Thank you to the witnesses. I say this to my colleagues on the committee who are from the Liberal Party and the Conservative Party—and I don't have to convince my NDP colleague—you illustrate the extent to which union representation helps make our society fairer, more egalitarian and more democratic. I commend you on the work you do every day to defend the interests of workers.

Let me start off by welcoming Ms. Senneville and asking her a question.

You talked about the last public sector strike in Quebec, which was one for the history books. The strike showed that a collective bargaining agreement is always the best kind of agreement and that power should be wielded with restraint.

Contrary to what employers believe, employees do not go on strike gladly. They do so to assert their rights in a lawful manner.

Some comments were made about this bill suggesting that it did not apply to employees of the federal public service. Would you agree that this part should be reviewed?

Ms. Caroline Senneville: Yes, absolutely.

The people we represent in the federal public sector are correctional officers, and they don't have the right to strike. That said, we stand in solidarity with the Fédération des travailleurs et travailleuses du Québec and the Canadian Labour Congress, which represent federal employees. We have often bemoaned the fact that the absence of anti-scab legislation at the federal level creates two classes of workers in Quebec. Nor do we want to create two classes of workers elsewhere by excluding the public service.

• (0850)

Ms. Louise Chabot: I believe that we are all in favour of the bill, but there is a heck of a difference between introducing such a bill and getting it passed. We have a minority government and anything can happen. We also deplore the fact that the bill would come into force 18 months after royal assent. In the end, it is as if nothing will actually happen.

Are you unequivocally recommending the removal of the 18 month timeframe, so that the provisions of the bill would come into force as soon as the bill receives royal assent?

Ms. Caroline Senneville: Yes.

Ms. Louise Chabot: You used the image of Swiss cheese to talk about the holes in the bill. Quebec's anti-strikebreaking law makes it impossible to hire a worker from another bargaining unit before a strike notice or notice to commence collective bargaining is given. Under Bill C-58, however, such tactics would be allowed. Even though the bill aims to prevent the use of replacement workers, it does allow for exceptions.

In your opinion, how does this undermine the very spirit of the bill?

Ms. Caroline Senneville: If you call a strike, then there has to be a strike. If all kinds of exceptions can be used and the work of the strikers can be done by other workers, be they subcontractors or people from other units, there is no strike. One of our major criticisms of the bill is the list of exceptions.

What we want is for Supreme Court rulings to apply fully and when a strike is called, for there to be a strike.

Ms. Egarhos could tell you more about all the types of exceptions. However, in our opinion, all those exceptions should be removed entirely from the bill, except those that protect essential services, of course.

Ms. Louise Chabot: Employers, whom we will be hearing from in the second hour of the meeting, would like to add economic interests to the list of essential services, which is quite broad.

With regard to economic interests, you said in your presentation that when strikebreakers are used, it is first and foremost the workers who suffer the consequences.

Do you think it's a good idea to add economic interests to the list of exceptions?

Ms. Caroline Senneville: No, it's not a good idea. When you weigh up all the factors, you realize that economic interests have nothing to do with environmental risks or risks to health and safety, for example.

When we go on strike, we deprive ourselves of a salary. The employer also has to suffer the consequences, because that is part of the balance of power. That is how we get the parties to negotiate and come to an agreement that is satisfactory to both parties. This is how both the company and the community come out ahead.

Ms. Louise Chabot: Would you say that there would be more strikes if we banned the use of replacement workers, as some witnesses have claimed?

Ms. Caroline Senneville: No. I have said it before and I will say it again: when a strike is called, it is a very serious decision. Being on strike is no picnic.

Ms. Louise Chabot: Indeed. That's pretty clear.

Mr. Warren, I'd like to ask you a question.

We talked about the historic moment when the right to strike was decriminalized. Questions have been asked about this, and you mentioned what a momentous event it was for workers.

And yet even today, we are seeing labour disputes drag on. The steelworkers of the port of Sorel-Tracy in Quebec were on strike for more than a year, during which time replacement workers were used who were paid three times the wages of the strikers.

Is that acceptable? What was the—

The Chair: Thank you, Ms. Chabot.

• (0855)

[*English*]

Mr. Warren, you'll have to comment on that in another answer if you choose to.

[*Translation*]

Mr. Boulerice, you have the floor for six minutes.

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Thank you very much, Mr. Chair.

Before asking the witnesses questions, I would just like to point out the presence in the room of Sébastien, a Videotron worker in Gatineau who has been locked out for more than six months now. He has to deal with the fact that replacement workers are taking his work and his salary. I think it's important to show that we're not just talking about events that happened 10 or 20 years ago. Right now, workers are still suffering the consequences of the use of replacement workers. My thanks to Sébastien for being with us today.

Ms. Senneville, you said you were touched to be here because this was an essential bill and a historic moment. I want to tell you that I feel the same way.

I would like to hear more from you about what Bill C-58 will do for the members of the CSN in certain federations and in certain sectors. As a union leader, can you tell us what will change compared to what you have experienced in recent years?

Ms. Caroline Senneville: I have been working at the CSN for more than 25 years. One of the disputes that affected me the most was the one involving the Cargill grain elevator on the North Shore, in Quebec. People were locked out for 38 months, during which time they saw workers take their place. It's extremely hard to go through something like that. I witnessed it.

I did not want to mention the asbestos strike, because it seemed too far back in time, but since other people have touched on historical facts, I will talk about it. In 1949, scabs were used in the town of Asbestos, and it is true that this had an impact on the community for generations. When I met with union members in the 1980s, some people told me that they no longer spoke to members of a certain family because their father had been a strikebreaker. This type of situation definitely creates bad blood throughout the community.

I'm also thinking of the violence that erupts on picket lines when workers have to physically prevent other workers from entering the workplace. In the example given by Ms. Chabot, it is all the more galling when strikebreakers are paid much more than workers.

My mother went on strike in the public service of Canada to get what is now called maternity leave. No one at this table would question maternity leave today.

Yes, strikes are hard, both for businesses and for workers, but sometimes they also help us move forward as a society.

Mr. Alexandre Boulerice: We are talking about social gains made thanks to people who, year after year, decade after decade, had the courage to take a stand.

Specifically, you talked about the importance of the Canada Industrial Relations Board's resources, particularly in terms of investigation processes. Under the current bill, which I agree could be greatly improved, in a labour dispute, an employer could continue to use subcontractors that it employed before the notice to commence collective bargaining is sent out, i.e., several months earlier. However, the subcontractors would have to be performing tasks of the same nature and of the same scope.

Resources will be needed to launch an investigative process to verify whether these conditions are being met. There could also be all sorts of maneuvering and violations in this regard if we are not able to send inspectors to check if the nature of the work, the number of hours or the number of tasks has changed.

Ms. Caroline Senneville: If the bill is passed, we will have to take the necessary steps to ensure that its provisions are enforced. Even if our wish is granted and all exceptions are removed from the bill, inspectors will have to go into the field. This need is being felt in Quebec. It is being felt in hotels, for example, where workers are being brought in. We must be able to investigate and bear witness to what is going on.

What you are saying is interesting. Indeed, the longer the list of exceptions, the more complicated the inspectors' investigative work will be. So there will have to be more inspectors.

Having said that, a strike is a strike. We should give ourselves the necessary means, both legislative and practical, to enforce these provisions.

• (0900)

Mr. Alexandre Boulerice: Absolutely.

Mr. Warren, thank you for being with us today. This is an important topic.

I will come back to the exceptions which make it possible to use replacement workers. You said there were too many loopholes.

If a few exceptions were to be removed, which ones should be a priority, in your opinion?

[English]

Mr. Marty Warren: I think they're all important, just because unless they're there for essential services, there is no reason for another worker, in whatever category, to do the work of a locked-out or striking member. That is important. I don't want to pick one above the other.

The fact is it should be clear: there should be whatever we need to conserve the essential services we talked about, and all others should be off the list. An example could be what is the strike about? The strike by tugboat operators, which we experienced in Quebec, wasn't a strike about economics. The scabs got more money than the steelworkers tugboat operators did.

[Translation]

The Chair: Thank you, Mr. Boulerice.

[English]

Ms. Gray, you have five minutes, please.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Great. Thank you, Mr. Chair.

Thank you to all of the witnesses for being here.

I just want to comment quickly that it's great to have interpretation in person. This meeting is functioning very well compared with some other meetings. Thank you to whomever set that up.

I want to talk about recent news that the unemployment rate in Canada jumped to 6.1% in March from 5.8% in February. This 6.1% is a full percentage point over a year ago. I'm wondering if this is something you're concerned with and are hearing about from your members. Are there concerns with this trend of the unemployment rate going up and of workers losing their jobs?

Mr. Ashton from the International Longshore and Warehouse Union Canada, could you maybe answer that first?

Mr. Robert Ashton: I don't mean to be rude, but I don't see the relevance to Bill C-58 when it comes to the unemployment rate in Canada. We're here to talk about anti-scab legislation, not the unemployment rate.

I am not here to give one political party or another political party the ability to score points, one against the other, so I'll decline to comment.

Thank you.

Mrs. Tracy Gray: Okay. Well, this has to do with workers losing their jobs. It was strictly about workers losing their jobs.

Maybe I'll go to the United Steelworkers Union to see if you've heard concerns about workers losing their jobs.

Mr. Marty Warren: No. I agree with the last witness as well: I really want to focus on the bill.

No, we haven't heard that at all. Our members aren't talking about that. We haven't suffered any major turndowns. I'll leave it at that.

Again, it comes down to how you calculate unemployment and how the U.S. does it. You hear from some, "Oh, look at the U.S." Well, each calculation is different. I'll leave it at that. That's for our research department and experts to speak on—not me, quite frankly.

Mrs. Tracy Gray: Okay. Thank you for that.

Actually, that brings me to the other point, that the U.S. rate has actually gone down and Canada's has gone up. Surely you work with other organizations cross-border. There is a lot of interconnection between our trade and with our supply chains. I wanted to see if you had a sense of where that might be coming from.

I'm not sure if you have any comment on that. It's just concerning that we're turning one way and the U.S. another. I just wanted to get a sense of whether you're hearing any comments on that at all.

No...?

Mr. Marty Warren: The short answer is no. Again, it's my understanding that in Canada and the U.S. the math behind it is different, so the comparison is probably apples to oranges. I'll leave it at that.

Mrs. Tracy Gray: Okay. Great. Thank you very much.

The other thing we heard about at a previous meeting from some labour representatives was that the replacement of workers by outsourcing work to contractors and consultants can make workers feel undervalued and create stress. It can affect workers' mental wellness when outside contractors are basically doing work they could be doing. Perhaps there could be an expansion of the workforce, but instead you have these outside consultants.

Mr. Warren, perhaps I'll go to you first. I'm wondering if you have any thoughts on this that you might want to share.

● (0905)

Mr. Marty Warren: The comment I would make on that is that there is no doubt about the stress on workers when they see scabs crossing the picket line. Go to a picket line where scabs aren't crossing the picket line; it's a very settled picket line. They're doing what they're doing with their right to protest and with their right to do what they do.

Then go where there are scabs crossing the picket line; it's emotional and it's ugly. It's like people are stealing their livelihood from them and their families and children.

The other thing about scabs, which came up before, is that in Canada, a thousand workers die each year on the job. Why are you now going to start bringing in unskilled, barely trained people? Is it worth the life of a worker so that some business can make 10 more widgets while their workers are outside instead of going to the collective bargaining table and reaching an agreement?

Mrs. Tracy Gray: I know I only have only a couple of seconds here. There is a national day recognizing workers who have lost their jobs, and I think we should all recognize that. Thank you for bringing that up.

The Chair: Thank you, Ms. Gray.

Mr. Long, go ahead for five minutes.

Mr. Wayne Long (Saint John—Rothesay, Lib.): Thank you, Chair, and good morning.

Good morning to my colleagues.

Thank you to our witnesses this morning.

I think if there's ever been an example of a party that doesn't want to talk about legislation, Canadians can see that today. The Conservative Party wants to talk about everything but this legislation. I am not going to talk about how a turkey cost \$100 two years ago and I bought one for \$35 two weeks ago. I am not going to talk about that.

Ms. Senneville, my question for you is this: Bill C-377 and Bill C-525 were two stunning pieces of legislation that the Conservative Party brought forth when it was in government that were absolutely detrimental and devastating to unions.

I would like you to talk to us, for the record, about Bill C-377 and Bill C-525 and tell us what they did to unions. I want you to also comment on Bill C-58 and how important it is. I want you to dispel the myth that unions want to strike.

[*Translation*]

Ms. Caroline Senneville: Bill C-377 and Bill C-525 were both anti-union bills, in our view. They were aimed at making unionization more difficult and, once unions were formed, at reducing their scope of action. In our opinion, this violates the Canadian Charter of Rights and Freedoms, which, I repeat, guarantees the right of association.

As I said at the outset, Bill C-58 will indeed transform the world of work and its vision in Canada. That is not insignificant.

In Quebec, the statistics are looked at every year. We saw that after the adoption of anti-scab legislation in 1977, the number of strikes didn't increase. What has decreased is violence and the number of ambulances on picket lines.

[*English*]

Mr. Wayne Long: Thank you for that.

Mr. Ashton, my riding is in Saint John, New Brunswick. It is a proud port city. I have a great relationship with ILA 273 and Terry Wilson there. We do many wonderful things together.

I want you to talk to me about your experience. You said, in your own words, obviously, that strikes and lockouts aren't easy. They're a last resort for unions. Sometimes I get the feeling from my colleagues across in the Conservative Party that unions want to strike, but that couldn't be further from the truth.

I know you just went through a strike. I wonder if you can share your experience with us. Thank you.

• (0910)

Mr. Robert Ashton: Thank you. Terry is a good friend of mine. He's a great trade unionist. I love the guy. He's a fantastic person.

Strikes are actually horrible things to go through. In the long-shore division in British Columbia, we just went through a 13-day strike. My members did not get paid for one day. My bargaining committee didn't get paid for one day. The changes and the effects they have on families are detrimental in the worst way. People can lose their houses, and if the strikes are long enough, people, through mental illness, can lose their lives. Strikes are the last choice for workers in unions.

We want a fairly negotiated collective agreement at the table, and reached as fast as can be done, surprisingly, so we can carry on with our business, and our business is doing our job—period, end of story.

In the Maritimes sector when we deal with our employer associations, a lot of us don't see our employers at the table; we see a third party at the table, so we can't have direct conversations with them. That's what drags things out and causes the issues at the bargaining table, because we're not allowed to have direct conversations with our direct employers because the third parties won't bring them in.

That slows bargaining down and creates a problem at the table, which, in our last round of bargaining, was what caused the 13-day strike. Every one of my members voted individually for their families, for a better life and for a freely negotiated collective agreement. For every worker in Canada who votes to go on strike, it is the last thing they want to do.

The Chair: Thank you, Mr. Ashton.

Thank you, Mr. Long.

[*Translation*]

Ms. Chabot, you have the floor for two and a half minutes.

Ms. Louise Chabot: Thank you, Mr. Chair.

Ms. Senneville, you represent members in a number of sectors, including telecommunications. Here we have Videotron unionized employees who have been locked out since October. It's all the call centres. The employer can use scabs, in accordance with current federal legislation, since the jobs are being outsourced.

When we talk about the right to strike, it is essential to prevent the use of replacement workers. How important is that to you in terms of ensuring harmonious labour relations?

Ms. Caroline Senneville: Indeed, such measures allow workers to focus on bargaining, rather than holding the picket line. When we reach a negotiated settlement, it leads to industrial peace. That's what we concentrate on.

The difference between a democratic society and an undemocratic one is that the right to strike is upheld. Even if going on strike is hard, even if it is a last resort, it is still important in order to move certain things forward in society.

Ms. Louise Chabot: I would like to point out that we have the same concern with the fact that the bill will be implemented 18 months after royal assent. During the clause-by-clause study of

the bill that will take place in May, we will be proposing the removal of that implementation deadline.

On the government side, though, the minister seems to be very keen on keeping the 18-month timeframe. The Canada Labour Relations Board needs that time, as I understand.

What are your thoughts on that?

Ms. Caroline Senneville: We must do everything we can to bring this bill into force as quickly as possible. As we say in French, where there's a will, there's a way.

Ms. Louise Chabot: Thank you, Ms. Senneville.

Mr. Warren, what do you think about the labour dispute experienced by Quebec workers in which replacement workers were paid three times as much as employees? The dispute lasted a year. I am also thinking of the workers who left their jobs in boat towing for other work. Their expertise is lost.

Could you comment on how important this bill is to prevent that from happening in the future?

• (0915)

[*English*]

The Chair: Give a very short answer.

Mr. Marty Warren: How you prevent it is with federal anti-scab legislation.

Quickly on that point, that was an attack on steelworkers and their families. It was trying to crush the union versus trying to bargain a collective agreement.

[*Translation*]

The Chair: Thank you, Ms. Chabot.

We'll now go to Mr. Boulerville for two and a half minutes.

Mr. Alexandre Boulerville: Thank you, Mr. Chair.

I'm going to ask all the witnesses the same question. I will try to be brief, since I only have two and a half minutes.

The tone will be quite different in the next hour. We are going to hear a lot of people say that national economic interests should count as an exception to allow replacement workers.

In your opinion, what danger and pitfalls does such a criterion represent for workers' rights?

I'll start with you, Mr. Warren.

[*English*]

Mr. Marty Warren: Again, the pitfalls happen if it's not an essential duty to talk about the upkeep of the facility, the environment and health and safety. The risk is that the law doesn't have the teeth it needs.

Any legislation that is legislation that doesn't work, like the Westray Law doesn't work, is ineffective. To give it effect, to give it bargaining table effect, it must, again, limit the number of workers with no shortcuts and no loopholes.

[*Translation*]

Ms. Caroline Senneville: My answer is one sentence long: we need real anti-scab legislation.

Mr. Alexandre Boulerice: Thank you very much.

What do you think, Mr. Ashton? Including the notion of national economic interests in an anti-strikebreaker bill could be problematic. What do you think the effect might be on workers' rights?

[*English*]

Mr. Robert Ashton: Every single employer in the country will say that it has a national economic impact on the country if that's in this legislation. The economic impacts of Canada should not be above workers' rights in this country. A worker should have the ability to go on strike, no matter where they are or what they do. When I did my 13-day strike, I heard people call me an economic terrorist. That's disgusting. We're representing workers.

The economy of Canada has recovered and always does recover, so let's talk economics; let's talk about wages for workers.

[*Translation*]

Mr. Alexandre Boulerice: That's perfect. Thank you very much, Mr. Ashton.

Thank you to all the witnesses.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Boulerice.

[*English*]

With that, we will conclude the first round. We must suspend for the next panel.

On behalf of the committee, to the witnesses who appeared in the first hour, thank you for your testimony.

[*Translation*]

Thank you very much.

[*English*]

We'll suspend for three minutes. Our witnesses are in the room and there's no sound testing required.

● (0915) _____ (Pause) _____

● (0920)

The Chair: I'll call the committee back to order for our second panel of witnesses.

From the Canadian Federation of Agriculture, we have Brodie Berrigan, director, government relations; and Todd Lewis, vice-president.

From the Canadian Federation of Independent Business, we have Christina Santini, director, national affairs; and Jasmin Guénette, vice-president, national affairs.

From the Federally Regulated Employers, we have Derrick Hynes, president and chief executive officer.

Mr. Lewis will be delivering the statement for the Canadian Federation of Agriculture.

You have five minutes or less.

Mr. Todd Lewis (Vice-President, Canadian Federation of Agriculture): Hello, everybody. Thank you for the opportunity to speak today.

My name is Todd Lewis, and I am first vice-president of the Canadian Federation of Agriculture. I grow grain, canola and lentils just south of Regina, Saskatchewan, in a little town called Gray.

The CFA is Canada's largest general farm organization. We represent over 190,000 farmers and farm families across Canada, and they are the heart of the Canadian agri-food system, which generates \$143.8 billion of Canada's gross domestic product—around 7%.

Canadian farmers proudly produce high-quality agriculture and agri-food products, of which over 92 billion dollars' worth was exported to trade partners around the world in 2022. Canada is an exporting nation. The flow of goods generated from trade is intimately tied to our standard of living. Countries around the world purchase Canadian agricultural products due to our reputation as a reliable supplier of high-quality products. However, if these products are unable to reach overseas customers due to a prolonged labour disruption, this has a direct impact on Canadian farmers, the Canadian economy and our reliability as an exporting nation.

For example, as noted in the final report of the national supply chain task force, labour disruptions in 2018, 2019, 2021 and 2022 "all affected how logistics and supply chain decision-makers and international businesses view Canada's reliability as a place to do business." It said that "even the threat of strikes or lockouts negatively affects the operation of the national transportation supply chain and, in turn, Canada's reputation as a destination of choice for doing business."

Let me be very clear: We recognize the importance of free and fair collective bargaining in Canada, and we support the rights of unionized workers to negotiate fairly with their employers. However, we believe that the movement of agriculture and agri-food products should be viewed as necessary, and certain exemptions must be made to the proposed legislation, Bill C-58, to recognize the importance of maintaining the movement of these goods during labour disputes.

There is precedent for this. In 1998, amendments were made to the Canada Labour Code, sponsored by then minister of labour Lawrence MacAulay, which prohibited the cessation of work among longshore workers loading grain vessels during a strike or lockout. However, these amendments only apply to bulk grain movement and do not apply to container movement of grain and perishable goods.

Prohibiting the use of replacement workers in federally regulated workplaces during a strike or lockout could cripple Canada's food supply chains.

Because the railways have a dual monopoly over the shipment of grain in Canada, producers and shippers have very limited options. In most cases, they have only one option to maintain service during a labour disruption.

As a result, we recommend that the employer's ability to re-assign existing non-unionized workers within a company, including management staff, be maintained when necessary to maintain Canada's domestic food and feed supply. Our hope would be that management could still provide critical functions during such stoppages to allow for the flow of agricultural goods. In our view, this would maintain the integrity of the collective bargaining process by preventing a return to full capacity, while at the same time providing a means of keeping some minimal level of service and the flow of agricultural goods where there are no other options for Canadian shippers.

For this to be reflected in Bill C-58, we recommend the addition of a new paragraph (c) under proposed subsection 94(7) "Exception—threat, destruction or damage" of the Canada Labour Code, stating that "the use of the services is necessary to maintain the flow of essential goods necessary for the maintenance and preservation of Canada's domestic food and feed supply and global food security."

The agricultural sector has faced seven work stoppages over the past six years alone. Prolonged work stoppages not only threaten our international reputation but also have real impacts on Canadian farmers and the Canadian economy.

In conclusion, I want to thank you for this opportunity to speak today. We would be happy to answer any questions you may have.

● (0925)

The Chair: Thank you, Mr. Lewis.

Mr. Guénette, you have five minutes or less.

[Translation]

Mr. Jasmin Guénette (Vice-President, National Affairs, Canadian Federation of Independent Business): Good morning. My name is Jasmin Guénette.

[English]

I'm the vice-president of national affairs with the Canadian Federation of Independent Business. I am here with my colleague, Christina Santini, director of national affairs. We would like to thank the committee for the invitation today. I will make my remarks in English, but I can answer questions in both French and English.

The CFIB, Canadian Federation of Independent Business, represents 97,000 small business owners in all sectors of the economy and in all regions of the country, Canadian SMEs that are concerned about the potential negative impact of this bill on their business, the people they employ and those they serve. Both my colleague and I will share comments for you to consider as you review the bill and look at potential amendments.

First, it takes a simple majority of 50% plus one of members in a bargaining unit to vote in favour of a strike to launch one. Should a vote that would paralyze a large and essential infrastructure, like a port or railway, and harm so many businesses, not require a much higher threshold and higher voter turnout? Also, should all offers and counter-offers be disclosed to all concerned workers as soon as they are tabled?

That could improve union democracy and transparency.

Second, ports, railways, interprovincial trucking and other federally regulated critical infrastructure should be considered essential services so that they remain operational at all times. Also, a long strike can have harmful consequences for the economy that are disproportionate to the benefit one union can obtain.

The negative economic impact of strikes on SMEs can be major: loss of sales, loss of inventory, obligation to reduce production and workers' hours, additional storage fees and potential financial penalties based on contracts' timelines. A long strike can undermine the ability of many individuals to earn a living along the supply chain.

Could a cost analysis study by an independent third party be required to evaluate the costs and impacts of a strike for the economy, for SMEs and for Canadians, before any strike is even allowed to happen? If the impacts and costs are deemed potentially severe, a general strike could not be allowed.

● (0930)

Ms. Christina Santini (Director, National Affairs, Canadian Federation of Independent Business): Ultimately, the concern is that this bill, as written, could further embolden unions to walk away from the table and result in a greater incidence of strike action, and even more disturbances along the supply chain.

British Columbia and Quebec, where greater restrictions on the use of replacement workers have been enacted, have experienced more work stoppages than most of their counterparts, including the federally regulated private sector.

Canada's SMEs, the people they employ, the communities they serve, and the economy they contribute to do not need more work stoppages.

Overall, 73% of our members with an opinion said that they would not support a ban on replacement workers, and 92% supported having federally regulated workplaces that are instrumental to the supply chain be defined as essential services.

Thus, the CFIB opposes the adoption of this bill. We continue to recommend that workers instrumental to the supply chain be deemed essential, referring them to binding arbitration. This bill needs to be thoroughly reviewed. We are happy to answer questions.

Thank you for having us.

The Chair: Thank you, Ms. Santini.

Mr. Hynes, for five minutes or less.

Mr. Derrick Hynes (President and Chief Executive Officer, Federally Regulated Employers - Transportation and Communications): Thank you, Chair.

I appear before you today as a representative from FETCO, which is an association that represents most of Canada's major airlines, courier companies, marine ports, railways, telecom firms and others in their capacity as employers.

FETCO members employ nearly two-thirds of all workers in the federally regulated private sector. Our members are overwhelmingly unionized, with decades of productive collective bargaining with most major private sector unions.

A lot has been said over the last few months related to Bill C-58, which will effectively ban the use of replacement workers during a work stoppage. Unfortunately, from our perspective, much of what has been said to date is simply not rooted in documented reality.

This debate needs to be focused on evidence. The literature proves two things clearly. Replacement worker bans result in more strikes and longer strikes. These bans incentivize strike activity and discourage collective bargaining.

Those most affected by replacement worker bans are everyday Canadians. When major employers like airlines, ports, railways and telecoms are shut down, supply chains break. Shipments are halted, packages are not delivered, passengers are stranded, Internet and cable services are shut down and banking stops. Canadians from coast to coast to coast are affected because the critical services provided by major federally regulated organizations are no longer possible.

To date, neither the government nor any union has presented a shred of documented evidence that demonstrates how this improves the collective bargaining process. In fact, the Minister of Labour reminds us that 96% of all bargaining in the federal private sector ends without a work stoppage.

While it is not perfect, the system is working. This bill is proposing to fix a problem that does not exist. This debate was settled 30 years ago in a comprehensive review of the Canada Labour Code. Balance exists. Nothing is gained, that can be demonstrably proven, from banning replacement workers. Government should not be introducing legislation that is sure to add instability to already vulnerable supply chains.

We need to set the record straight on what a replacement worker is. These are not scores of random people hired off the street. These are typically current employees of the company, such as managers, supervisors or contractors with whom the employer has a pre-existing relationship. These are temporary measures.

Replacement workers keep the lights on and provide a basic level of service until the strike ends. This is the collective bargaining system in action. It's not a flaw, but an actual design feature. When the strike ends, all unionized employees go back to work and temporary replacement workers leave.

What is sometimes hidden in this debate is the fact that a replacement worker ban gives very small bargaining units in large organizations an ability to shut down the entire organization. This can happen at an airline, an airport, a railway, a marine port or in telecom. The extended supply chain impacts can be extensive.

Federal elected officials have known for decades this is a bad idea. Though it has come up at least a dozen times in the past 15 years, it has always been rejected by parliamentarians. There's nothing in this bill or the process that led to it that makes it any different from past efforts.

Public policy should be based on documented facts. This is not that.

As employers, we live in the real world. We recognize, given that we are here today, that this bill seems to be getting traction with MPs. Our preference is that you reject this bill in its entirety, but if you're going to proceed, we sincerely urge you to amend it in several ways as specifically requested in our submission to you that we filed recently.

In short, first, this bill needs more flexibility as it relates to the use of contractors. The bill is too restrictive in this space. Let us not lose sight of the fact that contractors are workers, too, and many have long-lasting relationships with the organizations I represent.

● (0935)

Two, unionized employees who want to work should not be prohibited from doing so. If you agree that we live in an era of cost of living challenges, why would we take away anyone's right to choose to go to work?

Three, exceptions to these rules must accommodate national economic interest or national economic security as they relate to both replacement workers and essential services. The current bar is simply too high. It includes threat to life, threat of destruction of property and threat of environmental disaster. These are apocalyptic-level exceptions.

Finally, dates related to these provisions should back up, we believe, to the notice of dispute rather than the notice to bargain.

Thank you, Chair. I'm sorry for going over.

The Chair: Thank you, Mr. Hynes.

We'll begin with Mrs. Gray for the opening round of questions.

Mrs. Gray, you have six minutes.

Mrs. Tracy Gray: Thank you, Mr. Chair.

Thank you to all the witnesses for being here today.

My first questions are for the Canadian Federation of Agriculture.

We know there are a lot of incredible challenges that the agriculture industry and farmers are facing. To list just a few, there are the announcements of restrictions on fertilizer usage and there are the yearly increases in carbon taxes. There's the announcement that was just made by the Bank of Canada that it's holding interest rates high. For any farmers who have loans or lines of credit, this is going to continue to cost them more. Payroll taxes increased on January 1, and there are others.

I'm wondering if you can speak to the cost pressures that Canadian farmers are facing, and how this may affect the business decisions they're making.

• (0940)

Mr. Todd Lewis: Farmers are always price-takers. We're not price-makers. We can't negotiate the prices that we receive for our product in the majority of agriculture in Canada. Of course, the supply-managed sector is different.

What we see, when it comes to this kind of legislation, is there are such big supply chains that are affected. Something like a port or a railroad takes a long time to recover from a strike, and it takes a long time to unwind the backlog that occurs during a strike. The Canadian grain monitor, Quorum, suggests that for every day of a strike, it takes a week to unwind that at the port, so with a 14-day strike, we can lose up to a quarter of our shipping season because of that, and that backlogs all the way to the economic reality on Canadian farms, where if we can't ship, we can't pay. We don't get paid.

I think that's where we see the idea, in this legislation, that we want an exemption to ensure that Canadian products move. At the same time, let's realize that this is food, and it's food security not only for Canada, but for our international customers as well.

Mrs. Tracy Gray: Thank you.

Also on that note, I wanted to ask about the carbon tax farm fuel exemptions that are being talked about. I'm just wondering if you have any comments on that and how it could affect farmers.

Mr. Todd Lewis: Of course, as farmers, we think Bill C-234 should go through unamended, with what was originally put forward by the House of Commons. I think we'll just leave it at that.

Mrs. Tracy Gray: Great. Thank you very much.

I'll move over to the Canadian Federation of Independent Business.

When you look at your members from across the country who have small and medium-sized businesses and you hear about their challenges... We know a lot of small businesses are still carrying a lot of debt from the pandemic that they haven't been able to pay off.

We know, again, with the higher interest rates, that their debt loads are a lot more and their costs are going up.

I'm wondering if you can speak to some of the current challenges that the small and medium-sized businesses are facing that you're hearing about.

Mr. Jasmin Guénette: Certainly.

Right now, the level of optimism of small business owners is quite low, and there are many reasons for that. One is that every single line of a small business budget is increasing. Whether it's their insurance costs, taxes, regulation costs, wage costs or borrowing costs, every single line of a small business budget is increasing.

Also, the current demand is falling, so there's insufficient domestic and foreign demand for our small businesses in Canada. They are still facing huge pressure from labour shortages.

Small businesses have to carry a huge amount of debt, notably because of the pandemic, and the level of sales is low. The increased cost of doing business is hitting small businesses really hard, so the current situation is quite difficult for many of our members.

Mrs. Tracy Gray: Great. Thank you very much.

To Federally Regulated Employers—Transportation and Communications, you do have some large employers, but you have some smaller employers as well. I have a similar question for you about some of the business challenges you're hearing from your members.

Mr. Derrick Hynes: Most of my members are large employers, with a number of medium-sized employers in the mix. I hear regularly across the membership, particularly in the space in which I operate around the workplace, lots of concern around a lot of the regulatory burden. That is certainly something I've heard from members, that they've seen more change in the last five, six or seven years than they had seen decades previously. That is certainly of real concern to them.

This bill is a perfect example of that. It's why we're here today to talk about it.

• (0945)

Mrs. Tracy Gray: Thank you. So that would be red tape and regulatory burden.

I'll ask you really quickly, because I'm almost out of time here, about one other thing. It's with respect to the unemployment rate going up, which we've heard about. I'm wondering if you have any comments on that announcement and if you're hearing any concerns from your members about that.

Mr. Derrick Hynes: Certainly, members are concerned about the economy writ large. I represent a group of employers who provide critical services to Canadians. Obviously, we want those businesses to be successful. When they're successful, more Canadians are employed. When we see an uptick in the unemployment rate, obviously that is a concern and one that we monitor closely.

Mrs. Tracy Gray: Thank you.

The Chair: Thank you, Ms. Gray.

Mr. Sheehan, you have six minutes.

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): Thank you very much, Mr. Chair.

Thank you to the committee for allowing me to be here today to hear the testimony from the previous group of folks and these folks on this really important legislation ahead of us.

I've been on both sides of the bargaining table. I've bargained for the union and I've bargained with the union. At the end of the day, the best deals are at the table. That's the purpose of this—to keep people at the table. When people walk away from the table, no deals are being done. There are no negotiations.

My first question is for you, Derrick. One thing Bill C-58 talks about is a “maintenance of activities”. Your organization, FETCO, has claimed that this bill will lead to such critical services as 911 being cut off due to a strike. I did some research into the maintenance of activities process. I found that in 2003, Telus reached a maintenance of activities agreement with Telecommunications Workers Union. It stipulated that members would be available 24 hours a day, seven days a week, during the labour dispute to repair telecommunications services for police, fire, ambulance, 911, hospitals and the Coast Guard.

I noticed that in the last panel, Mr. Collins asked the unions if these agreements were normal. In fact, they said they couldn't imagine a scenario where there wouldn't be such an agreement in place.

To FETCO, when you put out communications against the bill, did you know that the maintenance of activities process was meant to maintain these 911 services? There was some reaction from the public, but I would like you to explain that particular scenario that I went through and researched and the importance that 911 services will still continue.

Mr. Derrick Hynes: I'm going to have to correct the assumption embedded in your question before I attempt to answer your question. In no literature that we put forward to the government did we show any concern that 911 services would not be provided. I didn't write it, and I wrote every submission that FETCO provided in this space. I agree with you that this is a level of service that would be provided and would be captured by a maintenance of services agreement.

To speak more broadly about the maintenance of services, we believe this doesn't solve the problem that the replacement worker bill causes. Maintenance of services agreements are extraordinarily difficult to achieve, in our experience. Unions generally don't like them. Agreeing on the terms of what will be embedded within those agreements is extraordinarily difficult. The bill envisions that this

will be done in 14 days, which we think is fantastical, and that the CIRB will then do it in 90 days, which we also agree is equally unlikely.

I guess my response to the overall issue around maintenance of services is that to us it's perplexing that we would introduce a bill that would ban replacement workers, knowing that it will cause the challenges that it will cause around the number and duration of strikes, and somehow imagine that a maintenance of services agreement in the bill will solve these problems. We don't actually think it will.

Mr. Terry Sheehan: Thank you very much.

I have heard testimony not only at this committee but also at the trade committee, so I'll correct your assumption as well that replacement workers prolong strikes. Everyone is saying that replacement workers, whether put in place during a lockout or during a strike, prolong the strike, because, again, no one is at the table when they're there. That is what we've heard at this committee and at other committees, and through consultations.

On that note, FETCO had pointed to the track record of previous bills banning the use of replacement workers, which have not been passed in the House of Commons. However, it's important to note the differences between those bills and Bill C-58, which promotes a tripartite approach to consulting with the unions, government and businesses. This included unions and business leaders sitting shoulder to shoulder at multiple round tables. There were extensive consultations that included round tables, 55 stakeholders and 71 written submissions.

I understand that the consultations were even extended to January 31, 2023, and, at FETCO's request, included many other businesses and stakeholders. We listened and we consulted broadly in a tripartite approach, and that informed our legislation.

Was FETCO consulted on the drafting of the bills preceding C-58 that you pointed to as not being successful?

● (0950)

Mr. Derrick Hynes: There's a lot in your statement, and it's difficult for me to not respond to some of the comments you made.

To the first point about the length and duration of strikes, these are not numbers I'm pulling out of the sky. They are from documented literature produced by institutions such as the C.D. Howe Institute, and esteemed labour economist Morley Gunderson. I don't have time to read you the quotes, but they basically say that if we think banning replacement workers is going to encourage collective bargaining and reduce strike activity, that is frankly not supported by the facts.

To the second point on tripartism, yes, meetings were held around the time this bill was introduced. If I may take 30 seconds to provide some colour to the committee, I was at the last round table meeting, and it was a good session.

Mr. Terry Sheehan: Just before I run out of time, I want to bring forward a communication I have in which you talked about—

The Chair: Mr. Sheehan—

Mr. Terry Sheehan: —the absence of workers and emergency communications going down. I wanted to point out....

The Chair: Thank you, Mr. Sheehan.

Thank you, Mr. Hynes.

The time has run out.

[*Translation*]

Ms. Chabot, you have the floor for six minutes.

Ms. Louise Chabot: Thank you, Mr. Chair.

Thank you to all the witnesses. I have a question for each of the organizations here.

Before I ask my question, I will tell you that most of us believe that this bill is urgently needed in 2024 for labour relations that currently fall under the Canada Labour Code. Such legislation has existed in Quebec since 1977 and, as many have pointed out, nothing catastrophic has happened since. On the contrary, it has prevented a lot of labour disputes and violence on the picket lines.

Mr. Lewis, Mr. Hynes, Mr. Guénette, my question is the following: Do you recognize the right to strike as a fundamental right protected by our charters?

[*English*]

Mr. Derrick Hynes: Yes.

Mr. Todd Lewis: Yes.

[*Translation*]

Ms. Christina Santini: We're not against associations. However, we don't want work stoppages, or at least we want to minimize the possibility of work stoppages. Negotiating an agreement at the table is encouraged and that's what we want to see.

Ms. Louise Chabot: My question wasn't about associations. I was talking about the right to strike, which is recognized by the charters and is the corollary of the right to negotiate.

Do you recognize that the right to strike exists?

Ms. Christina Santini: I don't deny it.

Ms. Louise Chabot: It's fundamental.

On the other hand, you want to be able to continue using replacement workers in the event of a strike or lockout. For you, isn't this a denial of the right to strike?

Ms. Christina Santini: I'd like to quote some data.

[*English*]

Quebec had an average of 70.3 private sector work stoppages between 2013 and 2022, each lasting an average of 89 days, with the provisions that it has in place.

In the federally regulated space, there were only 5.7 work stoppages on average during that same period, and each one lasted an average of 68 days.

The reality is that the best agreements, as even the panel before us has stated, are reached at the table, and that's what we would like to see. We do not want to see a higher incidence of work stoppages, whether they are launched by employers or by employees. That disrupts the supply chains, that affects small businesses and affects the livelihoods of the people employed by small business owners.

• (0955)

[*Translation*]

Ms. Louise Chabot: To say that you don't want strikes is pretty heavy-handed, because the right to strike is a recognized right.

When it comes to supply chains and economic interest, the workers you hire in your organizations are essential, fundamentally. We're in a labour shortage situation, and there are no more qualified workers. The right to strike is a legitimate right. Taking away employees' right to strike on the pretext that they are needed does not, in our view, contribute to healthy labour relations. There has to be a balance of power.

As we've shown, conflicts last much longer. There are currently two lockouts in Quebec. At the Port of Quebec, the lockout has been going on for over 18 months, and replacement workers are being called in. It's all well and good for the employer, but operations are not disrupted because other people are doing the work. In Gatineau too, Vidéotron's call centre employees have been locked out for 18 months. Meanwhile, jobs are being relocated and replacement workers are being called in.

Mr. Lewis, do you really consider that the use of replacement workers contributes to harmonious labour relations?

[*English*]

Mr. Todd Lewis: I will defer to my colleague.

[*Translation*]

Mr. Brodie Berrigan (Director, Government Relations and Farm Policy, Canadian Federation of Agriculture): Thank you for the question.

[*English*]

I'm happy to respond on behalf of the Canadian Federation of Agriculture.

In our view—and not to repeat what Todd mentioned in his opening remarks—what we're proposing here is simply a balanced approach that would keep the lights on and maintain the movement of what we think are very necessary products in Canada—the food that we eat—when there is a labour disruption.

It doesn't undermine the integrity of the collective bargaining processes by preventing a return to full capacity, but it does, at the same time, allow for a means of keeping some minimal level of service and the flow of agricultural goods.

[Translation]

Ms. Louise Chabot: Mr. Hynes, would you like to add anything?

[English]

Mr. Derrick Hynes: I would actually agree with most of what you just said. I totally agree with you when you say that the right to strike is a fundamental right.

Where I think we differ is we believe that the right to strike and the use of replacement workers can coexist in a system. I will bring us back to the data. The data shows us that banning replacement workers is not going to do anything to improve this system. Nothing has ever been documented to show that will be an improvement.

We are hearing anecdotal stories. Strikes are horrible. Employers don't want strikes any more than a union worker wants to be on strike, but they are a part of the system. Anyone who has been involved in collective bargaining knows it's difficult. Sometimes they end in work stoppages.

We are arguing that there should be circumstances in which an employer can bring in, on a temporary basis, replacement workers to keep the lights on.

[Translation]

The Chair: Thank you, Ms. Chabot.

Mr. Boulerice, you have the floor for six minutes.

Mr. Alexandre Boulerice: Thank you very much, Mr. Chair.

I'd like to thank the witnesses for joining us today to study this very important bill. Personally, it's very close to my heart. I think I have a slightly different position from you on this issue.

You've all recognized the fundamental right of workers to exercise pressure tactics and strike. You also talked about balance. Mr. Lewis, you talked about fair bargaining. I think these are notions we can all agree on.

Workers' associations and collective bargaining were made legal in Canada in 1872. This made it possible to civilize labour relations and collectively negotiate contracts in the interests of both parties, even if sometimes one party gains a little more than the other. This has reduced arbitrariness and generally improved the lot of workers.

Much of what we now call the middle class is the result of those decades of negotiation between the two sides to ensure that corporate profits don't just go into the pockets of owners and sharehold-

ers, but are shared a little more equally between those who do the work and those who own the factory or company.

Much of this better-shared collective wealth is the result of balance at the bargaining table, where both sides are able to exert pressure on the other, economic or financial pressure. When workers decide to strike, they put pressure on their employer by slowing down or stopping the company's production. When the employer wants to demand concessions from its employees, it can lock them out, which puts pressure on them, since they go without pay and have to rely on their strike fund. This balance of power makes it possible to negotiate at the table and reach a compromise that is satisfactory to both parties, or unsatisfactory to both. That's the nature of compromise, sometimes.

In a strike or lockout, when workers who are out on the street are replaced by scabs, replacement workers, the balance of power is upset. The employer has an undeniable advantage, because production or services are maintained, while the worker on the street sees his balance of power considerably reduced. It's all to the advantage of the employers, who no longer have any reason to return to the bargaining table. This imbalance means that, most of the time, disputes last much longer. Why would the employer return to the bargaining table if his production continues, if his revenues are not affected and if he has no reason to negotiate with the workers' association?

Mr. Lewis, if we want fair negotiations, there has to be a fair balance of power between the two parties, right?

• (1000)

[English]

Mr. Todd Lewis: We would agree with that, but at the same time, from a producer's standpoint we're not at the table. We are greatly affected by these labour stoppages. You don't even have to call them "labour stoppages". When collective bargaining breaks down and companies suffer a strike, farmers suffer as well. I think that's where we're at: Talking about a balance of power is about trying to have some exemptions because, for a producer, when we don't get shipping we don't get paid. If we don't do shipping we lose sales as well, and we never recover from a lost sale—that's gone. To your point, for the balance of power, this is why it's so important for producers to have it recognized that some agriculture products should be moving. Again, it's about food security, both nationally and internationally, and it does affect prices. It's supply and demand: if the supply is cut off, the demand goes up and prices increase.

[*Translation*]

Mr. Alexandre Boulerice: I understand your point of view, which is also interesting. In fact, I'd like to thank all your members for feeding Canadians and Quebecers and exporting their products around the world. We're very proud of all the work you do. That said, the bill already provides for exceptions and exemptions. In particular, subcontractors who were hired before the notice to bargain was sent and managers could continue to do their jobs during a strike or lockout. So there are already some exceptions for work to continue.

For you, is it still a good thing?

Mr. Brodie Berrigan: Thank you for the question.

[*English*]

I would just say that there is in fact an exemption, as Todd mentioned in his opening remarks, that was negotiated back in 1998 when then minister of labour Lawrence MacAulay was responsible for this file, that exempted the bulk shipment of grain. What we would say on behalf of our members is that we're seeing some shifts in the industry where increasingly there's a reliance on container shipment. That trend has increased quite a bit from the time that original exemption was put in place, and those container shipments are not captured by that exemption, in addition to perishable goods. That only applies to the bulk shipment of grain, but not to any sort of perishable goods like frozen meat products that are sitting in containers, fresh produce, which can have a huge economic impact.

Also, I would argue, and the evidence has been clear, that that contributed to a significant amount of food loss and food waste. For a country and a government that has signed on to the sustainable development goals of wanting to minimize food loss waste, then that's contradictory to that ultimate objective.

Thank you.

• (1005)

[*Translation*]

The Chair: Thank you, Mr. Boulerice.

[*English*]

We have Ms. Ferreri for five minutes.

Ms. Michelle Ferreri: Thank you so much, Chair.

Thank you so much to the witnesses for being here—two of my favourite groups in Canada, farmers and small businesses.

And this is not to dismiss you, Derrick—I'm sorry. You are also representing great people too.

I think there is one thing that really jumps out at me when we look at the Canadian Federation of Independent Business, or CFIB, which we have here today. Could you really quickly, because we have limited time, give an example of those businesses across Canada? Isn't 98% of Canada's economy fuelled by small businesses? Is that not a fair...? Basically, I'm just thinking of your giving us an example of anybody who is a small business. Restaurants, all those things, would fall under small businesses.

Mr. Jasmin Guénette: Yes, our members are in retail; so small mom and pop shops. Our members are small construction companies. Our members are also in agriculture. Our members are in wholesale, manufacturing. Our members are in the hospitality sectors. Seventy per cent of our members are businesses with under 10 employees. CFIB represents the smallest of the smallest. In the last few years when there were strikes at the Port of Montreal and the B.C. ports, we have seen this having an incredible impact on many of those businesses not being able to receive their goods or to ship out their products or goods. CFIB is worried about this bill—and again, we represent those small businesses that we all have in our communities, serving our people and employing our people as well.

Ms. Michelle Ferreri: To that point, like I said, small businesses are definitely the heartbeat. You mentioned in your comments earlier about morale and feelings. What we see even in my small downtown of Peterborough are closures and a mass exodus. Every week, every month, more and more people can't sustain their businesses, because of the debt, which my colleague referred to as well.

The Chair: I guess I'll interrupt. The bells are ringing in the House. It's a 30-minute bell. I need unanimous consent of the committee to continue.

[*Translation*]

Mr. Alexandre Boulerice: Mr. Chair, there is no unanimous consent.

[*English*]

The Chair: We have no unanimous consent from the committee. The bells are ringing in the House. The committee, by House of Commons rules, must have the unanimous consent of the members to continue when the bells are ringing. We do not have that. At this time, I do have to adjourn the meeting.

Committee members, the committee is adjourned.

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