



THE CANADIAN CHAMBER OF COMMERCE
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**Bill C-40: An Act to Amend the Canada Labour Code, the
Student Financial Assistance Act, the Canada Student
Loans Act and the Public Sector Service Employment Act**

Speaking notes for an address by

**Michael N. Murphy
Executive Vice President, Policy
Canadian Chamber of Commerce**

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Ottawa, ON**

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Good afternoon Mr. Chairman, and Honourable Members of the Committee. My name is Michael Murphy and I am the Executive Vice-President, Policy, at the Canadian Chamber of Commerce.

The Canadian Chamber is pleased to provide its input on the vital issue of accommodating Canadian Forces reservists in the workplace and in educational institutions. With approximately 25,000 reservists, 2,000 of which are in the federally regulated private sector and the federal public service with another 12,000 student reservists, coupled with their transferable skills, Canadian Forces reservists play an important and active role in the Canadian labour market.

At present Canada has no standing job protection legislation for reservists who serve in the military,



either to meet international commitment, such as in Afghanistan, or even if they are called out as an aid to civil power in the event of disaster assistance. Furthermore, Canada does not accommodate reservists who are attending educational institutions.

Bill C-40 attempts to address this concern by providing job protection for reservists who work in the federally regulated industries and the public sector, and by providing relief to student reservists.

We strongly support the intent of Bill C-40. For instance, the provisions allowing student reservists attending post-secondary institutions to retain their student status; not accrue interest on their loans; nor make payments during active duty, provide incentives to partake in both educational and Canadian reservist activities.



While we support the intent of Bill C-40 and the need to provide job protection for Canadian Forces reservists, we have some concerns on its effect on the Canadian labour market, particularly in an environment of growing skills and labour shortages.

The current skills shortage is one of the most significant structural problems affecting the Canadian economy and it is slowly turning into a crisis. In a recent survey we conducted with our members, two-thirds reported experiencing skills shortages with 90 percent characterizing them as somewhat or very severe. This is an issue of national importance and in response we need a policy framework that is flexible and that facilitates labour mobility.

Bill C-40 provides legislated job protection for Canadian Forces reservists. A number of Canadian businesses already have military leave policies such



as unpaid leaves of absence in addition to paid vacation. Some employers even provide guaranteed job protection for reservist employees participating in longer-term assignments, while others top up the military pay to meet civilian pay rates during assignments. However, not all employers, particularly small employers, can afford to institute such policies.

The Canadian Chamber believes in taking an incentive-based approach, perhaps in the form of income tax credits to dealing with the challenges in this case. Such an approach could, at minimum, reimburse employers for resulting expenses and encourage businesses of all sizes to institute effective military leave policies. Such incentives could be limited to an appropriate maximum per reservist employed per annum, fiscal conditions permitting.



In addition to providing job protection for Canadian Forces reservists, an incentive-based approach also provides the necessary flexibility for employers and takes into account the differing needs and capabilities of businesses of all sizes.

We recommend Bill C-40 be amended to adopt an incentive-based approach to facilitate and encourage participation by all companies in the federally regulated sector, benefiting both employers and Canadian Forces reservists.

Thank you.

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