



TEAMSTERS CANADA RAIL CONFERENCE DIVISION 320



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November 7, 2009

Subject: Unemployment in Canada and the Canadian Labour Congress (CLC)

Dear Brothers and Sisters,

Appended is news from the CLC regarding the status of unemployment and EI benefits in Canada.

In Solidarity,

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“Year from hell” for unemployed - CLC President says government tinkers, but refuses to reform

Posted: Friday, 6 November 2009

OTTAWA – “It’s been a year from hell for Canada’s unemployed workers,” says Ken Georgetti, president of the Canadian Labour Congress. “Since last fall hundreds of thousands of people have seen their full-time jobs disappear, their families have been decimated and their communities hollowed out,” Georgetti says.

He was commenting on the release by Statistics Canada of labour force figures for October 2009. “Compared to this time last year we are in terrible shape. People have had to trade full-time, family-supporting work for part-time jobs and self-employment. **Fewer than half of unemployed workers qualify for Employment Insurance and those who do get benefits are receiving an average of about \$50 a day. That’s just not right.** We have asked the government again and again to fix Employment Insurance but they keep tinkering around the edges.”

Statistics Canada reports that in October 2009 there were 1.59 million unemployed Canadian men and women, or 8.6% of the workforce. Since last fall 400,000 jobs have been lost.

Georgetti says that workers paid their Employment Insurance premiums in good faith and the program should be there for them now that they have been thrown out of work through no fault of their own. He says that the EI system needs comprehensive reform, and is calling upon Ottawa to:

- change accessibility rules to provide regular EI benefits on the basis of 360 hours of work, no matter where people live and work in Canada.
- make all workers eligible for up to 50 weeks of EI benefits.
- raise benefits immediately to 60% of earnings calculated on a worker's best 12 weeks of earnings.

Quick Analysis from CLC Senior Economist Sylvain Schetagne

The job numbers for October 2009 confirm that the labour market continues to deteriorate rapidly and there are no signs of improvement. While there were some indication in recent months that labour market deterioration was slowing, that can be described as the eye of a hurricane before the second part of the storm hits us.

In October, the number of employees in Canada dropped by 71,000. The public sector lost 26,000 employees and the private sector lost 45,000. The unemployment rate rose from 8.4% to 8.6% and the number of unemployed Canadians is now 1,587,400, up by 37,700 since September 2009.

The decline that occurred in the last 12 months was mainly in manufacturing, construction, transport and natural resources. The deterioration of the labour market is now spreading to the service industry, including retail and wholesale trade, down by 31,000, and "other services", down by 20,000. Women aged 25 and over (-24,400) and young workers (-19,900) who are traditionally over-represented in service, retail and wholesale, suffered most of the lay-offs in October.

Since October 2008, about 400,000 Canadians have been laid off, most of them full-time workers (-378,000). The unemployment rate has increased by 2.3 percentage points, from 6.3% to 8.6%. The number of unemployed Canadians has grown by 435,900 during the same period, a 37.9% increase over a year. In summary, the deterioration of the labour market has spread to all Canadians in all sectors of the economy.