



House of Commons
CANADA

Standing Committee on Finance

FINA • NUMBER 082 • 1st SESSION • 38th PARLIAMENT

EVIDENCE

Thursday, September 29, 2005

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Chair

Mr. Massimo Pacetti

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•(1715)

[English]

The Chair (Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.)): Good afternoon.

I want to thank the witnesses for appearing and for taking time out of their day.

I know it's a little bit late in the afternoon, but we're ready to go and I hope you are.

Normally, I allow you seven to ten minutes. I think we had said ten minutes, but if you could keep it to around seven minutes, we'd appreciate it. We want to leave some time for members to ask questions.

[Translation]

Pursuant to Standing Order 83.1, we are doing the prebudget consultations for 2005.

[English]

We'll go in the order of the list I have here. I have the Building and Construction Trades Department, AFL-CIO, Canadian Office.

Mr. Blakely.

Mr. Robert Blakely (Director, Canadian Affairs, Building and Construction Trades Department, AFL-CIO, Canadian Office): Good day, and thank you very much for the opportunity to appear.

My name is Blakely. I am the director of Canadian affairs in the building trades. With me is Ms. MacLeod, our director of legislative affairs.

The topic you've picked for this year's budget—dealing with productivity and prosperity—is one that the building trades very much endorse. In our view, productivity comes from highly skilled people. The focus of our presentation will be on skilled people and the role they exert on sustainable communities in Canada.

Construction is a bedrock industry. Virtually every activity, every other field of endeavour, is affected by construction. We either build it or maintain it. Indicative of that, 12% of Canada's GDP is produced by the construction industry. More than a million workers work in construction—1 out of 17 workers—and there are 120,000 contractors.

Currently, and for the forecastable future, there will be more construction in this country over the next 10 years than there has been in the previous 130-some years of Confederation. From the Hebron project in Nova Scotia through to the Olympics in British

Columbia, this cyclical and transitory industry will be in the forefront of the news. And usually that news is talking about shortages of skilled people.

“Shortages” is a very interesting term, because Canada consists of a number of areas of very considerable work where the work dries up and then the next hot spot appears. Properly put, shortages of skilled people really are areas in this country where there are skill shortages and yet there are other areas where unemployed skilled people exist. The challenge is to get workers to the job, because you can't move the project.

The main economic drivers in selecting where someone is going to invest money in this country are based on things like feedstock, markets, a stable government, infrastructure—schools, roads, communities—and a workforce to build, operate, and maintain the investment.

Mobility assistance to construction workers is our first and most important point in our brief. We believe that persons who are qualified to the national standard—that's the interprovincial red seal that's maintained by HRSDC—or indentured apprentices are people for whom Canadians already have made a significant investment in their education. If they're on EI, there are a number of routes to get people from place to place in this country.

By way of illustration, we've prepared a one-page sheet that talks about some of the facts that are being faced today in various parts of the country. Today there are 600 plumbers and pipefitters-pipe welders jobs going unfilled in Fort McMurray.

All of the other 16 trades in the building trades have the same sort of problem, but I'm only going to talk about one for a moment. There are 3,000 out of work pipefitters across Canada. A number of them are apprentices for which the Government of Canada has a sunk cost. Generally, they only lack one thing to be able to get access to these 600 jobs that are going begging, and that is the cost of travel to get there.

Through HRSDC, your government has spent a lot of money building a labour market information forecast, and that forecast basically says we're going to need people in Alberta for now and the foreseeable future, as well as in some other places in Canada.

Once people get to Fort McMurray, they can live in camp. The work is relatively longer term. In our example, we used three months as a minimum. If the cost of travel for someone from Newfoundland is \$1,500, they will work 5 days a week, 10 hours a day, basically accruing 55 hours pay per week worked—there's some overtime in there—and if they're there for 3 months, the standard tour, they'll earn \$25,025. They will accrue \$5,720 in benefits; that's a pension, health and welfare, group life, dental, and training.

● (1720)

All of the money and all of the benefits go to sustain their community at home. The worker who gets a mobility grant will pay 30% of his income in income tax, \$5,707.50. He will pay \$488 in EI and \$1,195.74 to CPP. His provincial government will get their share of the income tax. This is a pretty outstanding investment for risking \$1,500, nearly over a five to one return, more if you count in the EI that a worker won't get. The winners in an assistance to mobility program for construction workers are the workers and the workers' families, the workers' communities, the contractors and owners, and government at all levels.

If you don't do anything by way of mobility assistance, at least the current jobs are going to get built. They will cost more, they will be late coming in, and they'll be built on overtime, which means they cost more, production drops, safety suffers, and apprentices get fewer chances to work. Investor confidence here in Canada will suffer. There are many places around the world competing for capital investment. If we can't supply a workforce, the money will go somewhere else.

And finally, on apprentices, we start a significant number of people in apprenticeships throughout this country. We started 100 pipefitter apprentices at the Irving Oil refinery in Saint John, New Brunswick. We got 30 months' worth of work and then the work was over. Most of those apprentices didn't get to finish their training. We lost the investment we had in training them to date.

We're very much committed to working with the Government of Canada to develop a one-point-of-entry, flexible, accountable, and transparent system to move people to work. We suggest, with respect, that the Government of Canada cannot afford not to do this.

The second point—and I'll only make two of our four points—in our brief is one dealing with temporary foreign workers. There is significant pressure for temporary foreign workers to become a panacea to ease shortages. We suggest that Canada should employ Canadians first. Mobility in Canada will allow qualified Canadian workers to share in opportunities, to help their families and communities. Aboriginal and other young Canadians need the chance to develop journeyman skills in our various trades and callings. Twenty per cent of our current workforce are apprentices, so for every 100 temporary foreign workers who are allowed into Canada, 20 Canadian apprenticeship opportunities are lost.

Temporary foreign workers have got into the news unfavourably over the last couple of years: at Gold River, where I think the outstanding disclosure was that the contractor couldn't afford to use Canadians because Canadians cost too much; or at Lower Mainland Steel, where the reason for the application was he couldn't find anyone to work for rates that were as low as were being offered.

We believe that temporary foreign workers may be a useful short-term expedient, but we want you to employ Canadians first. If there are no qualified Canadians, if the temporary foreign workers have the same or equivalent qualifications to Canadians, if their being employed doesn't undermine the current wage and benefit structure, if they're going to be paid the same as a Canadian worker and get equal treatment to what Canadians get in respect of bonuses paid for travel or transport, then maybe you can find a spot for temporary foreign workers. But temporary foreign workers should not be employed to bail out those people who have put themselves in a situation where they're paying too little for their workers.

There are two major impacts of temporary foreign workers. First of all, there's apprenticeship. I've spoken to that issue. The second is sustainable communities. The Canadian who comes to Fort McMurray from New Brunswick sustains his family in his community at home. The money he earns, the benefits he accrues, flow to other regions of the country, not out of Canada.

We have some other points made in our brief. I will just touch on them. Value contracting—you're the largest purchaser of construction in the country on a consistent basis. Low bid isn't always lowest cost. Support the sectoral council program through HRSDC. It has paid some very significant dividends to a workforce such as ours.

● (1725)

With respect to our old chestnut issues—infrastructure, bridges, roads, and sewers—there is a hidden deficit in not keeping them up to snuff. If they're not maintained, assets become liabilities.

On Canadian shipbuilding, in a maritime nation with the largest coastline in the world, we can't build anything much bigger than a garbage scow now because the Canadian shipbuilding industry does not exist. It's of vital interest for us. Invest in Canadian shipbuilding.

That's my pitch. I think I took about eight minutes, so like unionized construction, I was on time and under budget.

Some hon. members: Oh, oh!

The Chair: All right, if you say so. Thank you, Mr. Blakely.

I want to clarify one point. One of the big impediments, which we heard about even yesterday, is the interprovincial barriers. And isn't construction one of the worst ones in terms of mobility between workers from one province to another, Quebec being one of them?

Mr. Robert Blakely: Not if you've got a red seal on your journeyman's certificate, and virtually all of our tradespeople do. There are some trades where the red seal has come in recently and we're running to catch up, but in terms of interprovincial mobility, of the 3,000 people I talked about who are unemployed in the pipe trades, 2,900 of them have the interprovincial red seal and can work anywhere in the country.

The Chair: All right.

The Canadian Automobile Association, Mr. Flewelling.

Mr. David Flewelling (President, Canadian Automobile Association): Merci, monsieur le président. Thank you, Mr. Chair, and members of the committee, and good afternoon everyone. *Bonjour tout le monde.*

I am David Flewelling, president of the Canadian Automobile Association. We represent 4.7 million members through nine regional associations from coast to coast.

Given the terms of reference of the committee, enhancing productivity growth in Canada, I'm here to bring your attention to a crisis that is affecting our productivity, as well as our health and safety and our environment. CAA is here to issue a warning that without immediate action the condition of Canada's roadways will have deteriorated to the point where a massive and much more costly reconstruction effort will be necessary. The effect of continued neglect of our roads and highways on Canada's productivity will be ruinous.

[Translation]

Decades of inadequate funding and inaction have led to a massive degradation of our national highway network. The situation is getting worse and is becoming much more dangerous.

[English]

The premiers and territorial leaders, at their recent meeting in Banff, pledged the development of a comprehensive national transportation strategy that will propose solutions to address the disrepair on our roads and highways. Similarly, this committee has recognized time and again the need for investment in a strategic national asset—the national highway system.

In spite of this, and unlike the United States and many European countries, our federal government does not have a plan for the national highway system. As a nation, we have no vision to ensure that tomorrow's roadways continue to serve our evolving needs. We have no plan to ensure consistent standards are adopted on our roadways from one end of the country to the other.

Canada needs a plan. We need a national vision. That is the message we are bringing to the committee today. If you go back to 1998, that is when you will find the last time a comprehensive report was made on the state of our national highway system. At that time, the report concluded that 38% of Canada's national highway system and 22% of all bridges were deficient and substandard. Remember, that was 1998. Since then, very little has been done on a national level to ensure better and safer roads, and as such we know how much worse the situation is now.

In our submission, "Warning Signs", we spell out the consequences of failing to have a national highway policy, coupled with

sustained funding for our national highway system. We also provide a five-point action plan for the government to adopt.

What are the warning signs of our deteriorating roads and highways? First, traffic collisions are a leading cause of premature death and long-term disability for young and otherwise healthy Canadians. Life and well-being are naturally the most important factors affecting productivity. Each year, hundreds of lives and millions of health care dollars could be saved with safer and more efficient roads and highways. Improved highway standards could reduce the number of injuries by up to 16,000 and save the lives of almost 250 people every year.

In Transport Canada's *Road Safety Vision 2010*, the federal government says they want a 30% decrease in the number of road users killed or injured by the year 2010. If so, then why does the federal government not seize this opportunity to save lives, prevent injuries, and reduce health care costs through better and safer roads?

Second, over the next few years, cross-border trade with the United States and Mexico is estimated to increase to \$600 billion annually, with 80% of our nation's trade moving by road and over our borders. While the federal government might be of the attitude that roadways are a discretionary expense, Canada's business leaders understand that they are a required investment for future growth and prosperity. Efficient and modernized roads and highways will allow Canadian businesses to boost productivity and growth and remain competitive in the international marketplace. This is a challenge that the Minister of Finance has issued to the business community and that this committee has undertaken.

Third, we want our federal government to understand that current roadway conditions are affecting the environment. Vehicles are caught in stop-and-go traffic because of congestion, inadequate capacity, and poorly maintained roads and highways. These vehicles emit far more pollutants than they would without braking and acceleration. Upgrades to our national highway system would reduce congestion, reduce emissions, and reduce fuel consumption, all of which would make Canada more productive.

The recent focus on public transportation is commendable. Canadians need transportation alternatives. However, we must go beyond that and remember that our roadways are the key part of our transportation system. We cannot focus all of our attention on just one aspect, letting our roads and highways crumble in the process.

We need a balanced approach, one that recognizes the importance of safe and efficient roads and highways alongside public transportation. These reasons—one, health and safety, two, productivity, three, the environment—are the reasons that CAA's leaders from across the country have been here today meeting with our parliamentary representatives.

• (1730)

[Translation]

Our national leaders must see the early signs that we are already seeing, as are 75 per cent of Canadian men and women, according to the most recent polls. We are also offering them a plan to make our roads more secure and more effective, now and for the future.

[English]

Our plan is the following. One, the federal government must first recognize the national highway system as a strategic national asset. Roads are a critical investment in the productivity, safety, and way of life of Canadians, not a discretionary expense to be put off indefinitely.

Two, the federal government must then implement a national highway policy to ensure that our national highway system is safe, efficient, and environmentally responsible from coast to coast through optimal design and operational standards.

Three, the national highway policy will guide investment in upgrading the national highway system to the optimal standard now, while also keeping in mind our future needs. This requires that the federal government back up the national highway policy with sustained adequate funding, instead of ad hoc, piecemeal funds for band-aid repairs.

Four, the federal government needs to embrace the role technology can play in ensuring better and safer roads in the future, much as other countries have done. This can be accomplished by ensuring ongoing funding for intelligent transportation systems.

Five, the federal government must encourage environmentally responsible driving habits by offering tax incentives, not penalties; increasing public awareness; and funding road improvements that will reduce congestion. Educating Canadians about alternative fuels, fuel-efficient vehicles, and conservation is an important tool at the government's disposal, and CAA would be pleased to assist the government in reaching Canada's drivers.

This is an issue we need to address before more lives are lost and more injuries occur, before our productivity falls further behind, before our environment suffers the consequences of not thinking ahead. You don't need to take my word for it. We asked Canadians and they too have spoken. In a recent poll, Canadians were asked if they felt the roads and highways were getting the attention and funding they require. The answer was an overwhelming no.

The state of our roads and highways affects the lives of Canadians day in and day out. At a time when Canadians increasingly question the relevance of government in their daily lives, addressing the neglect of our roads and highways is a fundamental responsibility of the federal government and should be a top priority. Canadians agree.

• (1735)

[Translation]

And they want the federal government to listen.

[English]

Last year, CAA made three important recommendations before this committee. Though it did not go far enough, we acknowledge and appreciate your support in recommendation 9 of your December 2004 report. Our five-point action plan this year builds on the growing need and, well, lack of action on the part of the federal government.

I urge you, as you prepare your recommendations to the Minister of Finance, to make the national highway system a priority, both in policy and funding. The time to act is now.

Thank you. Merci.

The Chair: Thank you.

From the Canadian Meat Council, Mr. Laws.

Mr. Jim Laws (Executive Director, Canadian Meat Council): Good afternoon and *bonjour, tout le monde*. Thank you for allowing the Canadian Meat Council to make a presentation this evening.

I represent the federally inspected meat packers and processors around Canada. It is Canada's fourth largest manufacturing industry, valued at more than \$11.4 billion. It's a very important employer, employing approximately 34,000 Canadians. In fact, the red meat processing sector in Canada, which represents veal, beef, pork, and lamb, is the fourth largest manufacturing sector after motor vehicles, petroleum products, and sawmill products. So we are quite an important organization representing companies such as Maple Leaf Foods, Cargill, Tyson, Olymel, and many other companies that supply services to the industry in Canada.

We focused our recommendations as well, of course, on the theme of productivity improvement, so we have made several recommendations under the various sectors.

First of all, under research, development, and innovation, we all know the impact of animal diseases and the effect they have had in Canada over the last couple of years, especially BSE and avian flu, and we encourage the government very strongly to continue research in that area. It's very important that we continue, because this is not the end of animal diseases across the world, for sure.

As well, food safety remains an important criteria, an important focus for the Canadian Meat Council. There have been far fewer problems from food-borne illnesses over the past several years, and this is largely due to improvements in food safety parameters and equipment used across Canada.

In terms of federal regulations and legislative initiatives, we have seen, especially with the BSE crisis over the last couple of years as well, that harmonizing regulations with the United States and the FDA is extremely important to us. That's really been an important component in us being able to open the border, referring to international regulations and convincing the Americans successfully. Referring to an outside body to help get the border open is exactly what we have done.

As well, money needs to be invested in zoning and the tracking and tracing of animals to make sure that if a disease outbreak occurs in Canada, we can limit its effect and reduce the effect on the economy.

In terms of priority taxation issues, there are several issues that we recommend. First is the allowance of inter-corporate transfer of business losses. We believe that should happen, and also, of course, income tax reductions. Improved net earnings will attract additional future investments in all of our processing plants. The elimination of reset on the employment insurance and the Canada pension plan, where employees are transferred between parent and subsidiary and vice versa.... What happens is the employees have to start paying these deductions again, and although it gets refunded to them at the end of the year, it doesn't to our corporations.

There are other items. There are provisions to provide further tax incentives for an individual labour force that encourages location and relocation across the country. As my colleagues here mentioned, finding people to work in meat plants across Canada is extremely difficult. The work is cold, it's repetitive and very difficult, and it's physically demanding work. Often plants are located in places such as Brooks, Alberta. It is very difficult to get people to move to these locations. We must have further incentives to help people move into some of these areas all across the country, as well as Rivière-du-Loup, Quebec, for example. Getting people to work in these plants is not an easy thing. We need to have some further incentives to help people move and work in those locations.

In terms of investment in human capital, we support further training and skills development for people who work in the meat processing sector. However, we believe that companies themselves must prove that the taxpayer money invested in the skills development must subsequently result in more employment by these companies.

As we look to some of the organizations that control animal health in Canada, like the Canadian Food Inspection Agency, we see a lot of experts who are getting older. There are very few experts in Canada, and we have to make sure that the government invests in new veterinarians and training for these veterinarians. We can't risk stretching those resources too thinly.

In addition, we have worked very closely with the Canadian Food Inspection Agency. We must have a good resource of veterinarians and inspectors working in Canada. We have to maintain the budgets for that organization so that the meat sector that's highly export dependent maintains the people in those organizations who can maintain Canada's credibility in export markets.

In terms of investment in physical capital, we believe as well that due to the perishable nature of our product, we must invest in roads and transportation in our country. We must make sure that the physical infrastructure is in place to be able to move product across our country and to make sure this is in place.

● (1740)

We saw a couple of years ago in the summer of 2003 with the electrical blackouts that the government has to take the lead role and make sure that our country has enough electrical capacity to supply our plants. We have to have electricity to keep these plants running

and to cool our meat down and make it safe. We cannot always be running in this situation, where we don't know when the next blackout is going to come around.

As well, we need to invest in new bridges and border crossings. A lot of product crosses into the United States. We have to make sure those bridges and crossings, perhaps new tunnels, are built. We have to keep trade moving down to the United States, our most important market.

That's my presentation. There are plenty more recommendations in the report for you to read.

Thank you very much.

The Chair: Thank you.

Ms. Tamlyn, from

[*Translation*]

the Canadian Nurses Association.

[*English*]

Dr. Deborah Tamlyn (President, Canadian Nurses Association): Thank you very much. I'm pleased to be back with you again this year. I have with me members from my national board from the Yukon, Saskatchewan, and Nova Scotia, as well as a Western student who will graduate in the next few months.

The Canadian Nurses Association represents approximately 120,000 nurses in Canada. We submitted our brief earlier this month, and in our submission we made recommendations that we believe impact on Canada's productivity and prosperity. We addressed, in particular, innovation, learning, and security.

We believe health and productivity and prosperity are opposite sides of the same coin. There's an indivisible link between health concerns and having a productive and prosperous Canadian society and workforce.

I propose to focus my comments on the aspects of our brief that deal with strengthening the health system by investing in people who provide health care.

Mr. Don Bell (North Vancouver, Lib.): May I ask what the brief looks like? I don't have a copy of it.

The Chair: Sorry, it's just speaking notes. That's what I was just discussing with them. We don't seem to have extra copies.

Dr. Deborah Tamlyn: We can certainly make those available. I'm not sure we have the copies with us here today, but they were provided, I understood, some weeks ago.

The Chair: Sorry, but we're getting them translated and that's the problem. The translation is not ready.

Dr. Deborah Tamlyn: Okay.

CNA believes that our productivity and prosperity as a country and as individuals are dependent upon a strong health system. We have seen, and will continue to see, a return on investment in the health sector. The return takes several forms: improved health status, new technologies, reduced absenteeism and injury, as well as job creation.

Business leaders have linked the health system to economic prosperity. Earlier this year, Toyota, like other multinational companies, expanded operations in Canada based in part on the existence of a publicly funded health system that would be available for its workers.

As a critical element within the health system, nurses play an important role in maintaining a healthy workforce. Nurses are focused on occupational health and safety. They provide health assessments, manage occupational health and safety systems, and support employees who are returning to work with chronic diseases and who are coping with injuries. As well, nurses are involved in making emergency preparedness plans, which are also germane within the employment sector.

As committee members know, governments have already invested in improving the effectiveness of the health system in Canada. There have been major investments. CNA applauds the intent of those investments, particularly the policy priority of improving access to the system. Access to the system for workers is one of the foci I think of this committee.

We are concerned, however, from a poll that we recently conducted in September, that the majority of Canadians have less confidence today than a year ago that the system they want to have there for them when they need it will in fact be there. Part of that system being there for them is to get timely access to care that's provided, whether by physicians, nurses, or other members of the health team.

We are facing shortages, and I think shortages have been a theme running through a number of the presentations today. Therefore, in our presentation today we want to propose one specific item for your consideration. We believe the federal government is in a position to show and demonstrate leadership in the areas of employment for which it has jurisdiction—within aboriginal communities, DND, and Correctional Service Canada, for example. We know from the information we have obtained that there are projected shortages of about 4,000 to 5,000 nurses over the next 10 years in those jurisdictions.

We would like to see the federal government expand the return-for-service initiative that already exists in some departments, whereby individuals who wish to pursue nursing, or nurses who need upgrading or specialty training, would be able to have funding or bursary support in return for agreeing to work for a specified time in the jurisdiction that is in need. These might be rural and remote areas or particular areas of federal shortage.

I know these systems can work because I was a benefactor of such a system back in the early seventies. We also know that some provincial jurisdictions have instituted this kind of an approach, Saskatchewan being one. The graduates of such programs do in fact

return their service and tend to stay on in those areas to which it is difficult to recruit.

We believe as well that in addition to providing that support for training and increasing the numbers of nurses and having them work in areas of greatest need, the federal government would then be able to create what we are calling SWAT teams. They would be able to take some of their most seasoned and experienced personnel and move them to areas of greatest need. Currently, that would be difficult because the shortages are so intense, which makes it very difficult to move anyone around in the system. If there were a supply of new graduates or additional skilled or trained workers in the system, we believe the federal government would be able to demonstrate leadership and an innovative approach in dealing with some of the backlogs and shortfalls that exist for some of our most needy populations and for people who are often marginalized because of where they live or because of their economic status.

● (1745)

To conclude, we believe that utilizing funds to support additional training of employees, in this case nurse employees who would work within the federal jurisdiction for return-of-service agreements, would be a wise investment. Some of the funds may already exist from allocations that have been deemed through the health accord, but there would need to be further investment. We also think this would give a strong message to other jurisdictions to follow suit in the role model or example set by the federal government.

Thank you very much for your time.

The Chair: Thank you, Ms. Tamlyn.

Mr. Penson, and then I have Monsieur Bouchard, Mr. Bell, and Mr. Martin.

Mr. Charlie Penson (Peace River, CPC): Thank you, Mr. Chair.

I would like to welcome the panel here. It has been a very good discussion today. I think what has been reconfirmed for many of us is this business of productivity and the need to close the productivity gap with major trading partners, which will require a lot of different aspects to make it happen, including training and skills development, capital investment, and probably lower taxes in some areas to encourage companies to invest in machinery and equipment. We are certainly learning that.

I just want to talk a little about and explore the following idea with you. I come from a northern Alberta riding, Grande Prairie, which is experiencing tremendous growth. This particular period of growth or expansion we are in right now is resource-based led. It may be with us for some time.

Ms. Tamlyn, what you were talking about, of workers not wanting to move to some of these remote ridings or areas, is very disturbing, because I think people are going to have to get it into their heads that they are going to have to move to where the jobs are—and in many cases those jobs are in places like my riding or in Fort McMurray.

Mr. Blakely talked about some kind of incentive the government has to offer. He put forward the example of providing \$1,500.

Quite frankly, it would take four days' work under your example, Mr. Blakely, for that individual to make back the amount of the \$1,500 ticket to Fort McMurray. Do we really need to offer an incentive of \$1,500 from the federal government to attract people? Isn't it common sense that if you worked four days, you would have your ticket paid back?

I had an instance where a contractor who was in the concrete business had his entire crew taken out from under him. He was paying them \$35 an hour; somebody came along and offered \$40 and they all walked. He saw me and said "We need temporary foreign workers". If people are not going to move to where the jobs are, I can identify with what he is saying. It's very difficult to understand why people feel so comfortable that they would rather sit and collect EI someplace than move. I know it's hard on families, but there are thousands and thousands of families doing this, and they've done it for a very long period of time.

I'm not sure what the best method is, but I think Ms. Tamlyn has proposed a concrete answer in suggesting that some kind of contract be developed.

I was in Vancouver a few years ago visiting family, and one of the members of the family had been transferred from Vancouver by, I think it was, B.C. Tel at the time, now BCT.TELUS, to Prince George. That's even farther south than my riding. It was like he had a death sentence. You know, wake up. This is a big country we've got here, folks. People have to be willing to move to where the work is. Once they got there, they found out, hey, this is a really nice area. We just have to think a little bigger, I think.

In terms of the infrastructure that is required, which Mr. Flewelling talked about, I certainly agree that by expanding our infrastructure—highways, bridges, rail, and all that—to speed up delivery, it's going to be an advantage.

I'm not sure I have any real questions here, but I am frustrated sometimes when I hear people talk about not wanting to move to where the work is because it's at the end of the earth. That is not the case at all. They will find it's a very nice area when they actually make the move.

I don't know what the answer is, but I think you've identified some of the things that we need to deal with and to recommend, including more training and more investment in infrastructure. Those are important things that I think are required as well. So if anybody wants to have a cut at responding, I'd be happy to hear you.

• (1750)

The Chair: Can I help out here?

It's a good observation, because I think we have that problem in certain areas of Quebec as well. How do we encourage people to go to the regions if there are jobs?

I guess the job issue is again directly pointed towards you, Mr. Blakely. We can't really get them to move. We can't force them to move. Temporary is the way to go.

Mr. Robert Blakely: Let me put it this way. A significant number of people believe the myth of the Atlantic Canada guy sitting on his bum somewhere thinking it's great that the EI cheques are rolling in, but that simply isn't true.

You can't expect someone from Newfoundland to move house and home to Fort McMurray for a three-month job, because frequently that's the length of time that is going to be required.

Mr. Charlie Penson: Not in my riding.

Mr. Robert Blakely: I too am from Alberta. I'm from Edmonton, and I've lived there all my life. I've worked in Grande Prairie and in Fort McMurray.

I can tell you this. I worked in Grande Prairie at the pulp mill, and it wasn't a lifetime job. I worked there for a while. Then I went to work in Red Deer, Joffrey, Prentiss, Olds, and Calgary.

• (1755)

Mr. Charlie Penson: You can come back to work in Grande Prairie now.

Mr. Robert Blakely: Thanks. I'm obliged. I'll drop your name, and it will probably get me a good job.

Not all jobs lend themselves to a permanent move. If people can't move permanently, then we might need to have the second-best way of being able to provide some temporary assistance.

The Chair: Fair enough.

[*Translation*]

Mr. Bouchard, you have the floor.

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): My first question is for the Building and Construction Trades Department.

You said that mobility was essential for construction trades personnel. You also talked about the work itself being stationary, contrary to workers who would be mobile. You also want to make this type of work accessible to Canadians.

Do you consider that building trades are overregulated, and what should be done to make that mobility happen?

[*English*]

Mr. Robert Blakely: I don't think they're too regulated. I think we have a structure in place. Canada is one of the few countries in the world where buildings don't fall down, bridges don't collapse, and boilers don't blow up, because we actually train people.

If you're going to be a steamfitter in Canada, you're going to have spent 8,000 hours learning the trade before you go to work. You're going to be somebody who can put the boiler in a school for kids and they can be reasonably assured that it's going to work and will be safe.

Is it too regulated? I think the answer is no, it is not. There is some regulation in a number of the provinces, but the regulation in and of itself isn't enforced enough. If there should be anything, there should be more enforcement of the current regulations, rather than giving up our system.

Anybody who has a provincial red seal, the *sceau rouge*, on a journeyman's certificate from a Canadian jurisdiction can work anywhere in the world. There aren't a lot of people who can say that elsewhere on the globe.

[Translation]

Mr. Robert Bouchard: It could be within some of the provinces. I think of Quebec, for example. A worker who wants to practice a trade must comply with a series of rules. Sometimes, the great number of workers already active in a given trade will prevent a worker from entering the trade. That is mostly the reality I was referring to.

My second question is for the Canadian Automobile Association.

Presently, provinces are responsible for the supervision and maintenance of the highway network within their jurisdiction. Under your proposals, would the province of Quebec and other provinces remain the principal contractor and would they still have a role to play at the level of maintenance? You mentioned that this should be a national priority, that there should be national standards as well and, finally, that we should recognize that something must be done, that we must improve the Canadian road system.

[English]

Mr. David Flewelling: Thank you.

We're not suggesting in our brief that highways would not remain a provincial responsibility. Where we see the federal government playing a role is in setting standards. The provinces have repeatedly asked for the federal government to take on the role of setting consistent standards for the national highway system—the thing that links our communities together from coast to coast. They've asked the federal government to play a leadership role in setting these standards. I think that particular aspect falls within the purview of the federal government.

As I say, we're not suggesting that the highways would not continue to be a provincial responsibility, but the setting of national standards is the role where the federal government steps in.

• (1800)

[Translation]

Mr. Robert Bouchard: My last question is for the Canadian Nurses Association. You talked about allocating more funds and credits. As we know, the area of health comes under the jurisdiction of the provinces and Quebec.

Among your recommendations, do you suggest as well that the federal government should make transfers to provinces and to Quebec in order for these recommendations that you are making as well as other improvements to be implemented?

[English]

Dr. Deborah Tamlyn: Our proposal was particularly targeted to the areas where the federal government has jurisdiction because it is the employer of nurses who work in certain jurisdictions, whether with aboriginal and Inuit areas or within Corrections Canada and so on. The concept could be expanded, I suppose, if there was a federal-provincial interest in matching funds, but that wasn't the focus of our brief. I think to enact what you are suggesting could be done, but whether it would be a priority interest of the various stakeholders,

that could be determined. But we were particularly trying to make it more a situation where the federal government on its own could proceed, at least in the first occasion, to demonstrate an approach that would help address issues that are germane to those areas where there's a great deal of difficulty sometimes in addressing the shortages and making sure the needs are met. In a number of these jurisdictions as well, as some members of the committee have already mentioned, it can relate to mobility of workers in wanting to go to those areas.

So I would not reject your suggestion, but I think it could only proceed if in fact there was an expressed interest on the part of a jurisdiction such as Quebec or other jurisdictions.

I hope I've answered your question.

The Chair: Thank you, Ms. Tamlyn.

I have Mr. Bell, Mr. Martin, Mr. Solberg, and then Ms. Minna.

Mr. Don Bell: First, thank you all.

Mr. Laws, your recommendations weren't bulleted very easily. Your points were bulleted, but it would help if your recommendations were identified in the brief a little more clearly.

One of the things you talk about on page 6 of your presentation, and I think it's summarized in the final paragraph under your executive summary, is this reference about sound investments in employee skills training. On page 6 you mention that we have more SMEs in your industry in Canada than we do in the States, and as a result, we need to improve the productivity. You talk about how these companies in Canada would benefit from improved management skills. When you talk about the training in employee skills, are you talking about workers, are you talking about management, or are you talking about both?

Mr. Jim Laws: We're talking about both. It's clearly one of the issues related to productivity in that aspect. Better management skills in some of these smaller places would provide some improvement in productivity.

Mr. Don Bell: Okay, I see that.

Mr. Jim Laws: In some of the larger companies, of course, they have really good systems in place even to train employees in-house, but the smaller and medium-sized firms could probably use some help in that regard.

Mr. Don Bell: One of the criticisms I've heard is the dominance in some areas, particularly in the meat packing, of some multinationals, if you want to call it, and the difficulty of the smaller firms, the SMEs you're talking about, in really competing. Can you comment on that?

Mr. Jim Laws: I can comment on it. I've been in my job now for about a year and a half. I've seen many, many of the members in the last couple of years, and I can tell you that there have been new entrants to the business. There aren't significant barriers to entrance except for capital and equipment. The smaller guys can do a really good job. If they build a new plant from scratch, for instance, they can take advantage of some new technologies, etc.

In terms of multinational companies, look at a company like Cargill that's headquartered in the United States but has been in Canada for over 80 years. They've invested a lot of money in Canada, lots of modern plants in Canada.

If we look at Calgary, for instance, there's a company that has just started up—Rancher's Beef. They're putting in a brand-new plant north of Calgary, with new equipment. So that's great.

The Nilsson Brothers have a plant in Moose Jaw and a couple in Calgary. They've added on to those plants, expanded those plants, as a result of this BSE issue. So there's lots of opportunity.

There are other plants, in Quebec, for instance. I was at a plant way out in Rivière-du-Loup called du Breton Farms. Canada produces a lot of pork. They had a fire in their plant. It was about an hour's drive south of there. They decided to build a new plant in Rivière-du-Loup, largely to get access to more employees, to try to get more employees. They built a brand-new plant. The place is absolutely beautiful.

It's easy to make those comments, but....

● (1805)

Mr. Don Bell: I've heard them here at this committee, and last year we heard the question of processing, slaughterhouse capacity and the need for more, and the concern about the domination of a few companies. I was just curious about that.

Mr. Jim Laws: The good news is the capacity now has increased to almost enough that in terms of the beef side we can pretty well slaughter all the animals in Canada.

The processing side didn't ask for government investment in plant and equipment. The market drove investment. They reinvested the profits in expansion. The only thing we've been asking is for the government to put investment back into the Canadian Food Inspection Agency to hire more inspectors and veterinarians to handle the expanded capacity and hours of operation.

Mr. Don Bell: Okay.

Mr. Blakely, I have a question for clarification.

On the concept of mobility assistance, you cited somebody coming from somewhere in the Maritimes, a more distant point, to Alberta or somewhere. On your suggestion that if the job lasts three months—and I don't know if that's the average, but not an unusual period of time—would the person return and then come back again for another job? How many times for each of these periods you talk about, earning \$25,000, would you do this for a person? Once a year, or every time a job offer came up?

Mr. Robert Blakely: In terms of the details, is it every time a job comes up? Once someone has a grubstake, they're able.

Mr. Don Bell: That's what I was going to suggest.

Mr. Robert Blakely: If EI is insurance, then maybe you're entitled to a deductible as well as the benefit. If EI is insurance, which is a contract of indemnity against an unforeseeable event, then maybe there is something to be gained by saying, "Look, we'll do this for you once or twice."

Frequently the thing that makes people least likely to accept a job a significant distance away in another province is that they don't

have enough money to get there. They've been on pogeys for a while and they're down to their last nickels. The sector council did a study on the patterns of what makes people move or not, what discourages them from taking a job somewhere else, and the single greatest impediment was having enough money to get to the job.

Mr. Don Bell: Mr. Flewelling, I saw you being interviewed on television. You talk about, environmentally, our needing tax incentives, not penalties.

I've been involved in GVRD and local government and the whole issue with TransLink and planning traffic in the lower mainland of British Columbia in the past, but generally the issues there are user-pay—in fact, a form of penalty, it's suggesting, for people who drive more. And there's the whole issue of the trucking industry, which is something different, the movement of goods and services.

First of all, you can't pave your way out of congestion by simply expanding. It gets filled up. You build it and they'll use it.

What kinds of tax incentives did you have in mind?

Mr. David Flewelling: We think the tax incentives should be focused on more fuel-efficient vehicles, including hybrids, alternative-fuel vehicles. We think that needs to be strongly promoted.

Mr. Don Bell: And not penalizing the existing ones, if I read your report....

Mr. David Flewelling: That's correct. We strongly believe that Canadians want to do the environmentally sensitive thing. What they need is a bit more choice, which we think is lacking, and they need some incentive to make that move, and they will move. We don't believe that penalizing people in order to motivate them in a certain direction is the way to go.

● (1810)

Mr. Don Bell: In the design of highways, you talk about the safety issue. Are you talking about shoulders? Are you talking about banking for turns? What are you talking about in terms of engineering and design?

Mr. David Flewelling: When you look at a lot of our highways, many of them were built in the fifties and sixties, and there's been a lot of innovation and design since then. So you've hit the nail on the head in terms of your examples. Banking and flatter and wider shoulders are certainly two innovations in the last decade, maybe two decades, that need to be brought forward.

Mr. Don Bell: I was surprised by the statistics in your report about the difference in the accident rate between the United States and Canada as being, what, 60% less?

Mr. David Flewelling: Yes, the U.S. studies have shown some pretty amazing improvements or reductions in fatalities and injuries by making these design upgrades.

Mr. Don Bell: Ms. Tamlyn, the return-for-service initiative you talked about is an interesting concept. One of the questions I had for you is in terms of immigrants. We've talked about workers getting certification. Is that improving? One of the problems with the nurses, generally, was getting the certification and the upgrade. There have been efforts, I know, made by Citizenship and Immigration Canada to try to improve that and to provide information. Does that seem to be working positively, in your experience, in terms of helping people who come from different countries to upgrade their skills, and to do so in a way that they don't end up working as care aides when they're really skilled?

Mr. Deborah Tamlyn: No. I think there have been important steps made. There's more work to be done. There has been federal funding and support to look particularly at the area of internationally educated nurses. There have been some key learnings and recommendations that will come out of that. It will influence information that will be on our national nursing portal. And I think that would work well for internationally educated nurses who would want to avail themselves of the program we've proposed here.

The Chair: Thank you, Mr. Bell.

Mr. Martin.

Mr. Pat Martin (Winnipeg Centre, NDP): Thank you, Mr. Chair. Thanks for this opportunity to take part in the finance committee.

All the briefs I found very interesting—fascinating, in fact. I wish I had time to deal with some of the many good points in all of them, but I'm going to try to stick to what I know.

Coming from a building trades background, I'm particularly interested, Mr. Blakely, in some of the points you've raised.

I think the idea of a mobility plan is an excellent one. I think you've made a very good business case for it, so let me put that on the record first. I think it's a great idea to try to match the shortages with the surpluses within this country with some kind of a coherent plan. And that leads right to one of the points you mentioned, and that's this idea of foreign workers. Filling skill shortages in one part of the country with an influx of foreign workers—not immigrants, but temporary foreign workers—does a disservice to Canadians in the other part of the country. One of the conditions under the foreign worker permit is whether there are any skilled and qualified Canadians available. The contractor has to meet that test before a permit should be issued.

In the case of Gold River, I've seen the application. It said this. Did you try to find skilled Canadians? Yes. Why didn't you hire those skilled Canadians? The cost was too high.

As a result they hired a lot of people from India, slept six to a hotel room, while the whole town of Gold River was out of work. It was to dismantle the pulp mill that had just closed. The very guys who built and maintained that pulp mill had to watch these foreign temporary workers come in and take their jobs.

So I thank you for raising it, because it drives me nuts.

I would ask you about another element of your brief that you didn't get a chance to cover, and that's the government's tendering practices, what you call “value contracting”. I note here—and I'll ask you to make the argument—that you believe the government could play a role in meeting some of these other objectives, secondary objectives, by changing their tendering practices.

● (1815)

Mr. Robert Blakely: Yes, I do. A number of sophisticated purchasers of construction pre-qualify bidders before they allow them to get engaged in the bidding process. They want to see a coherent safety policy. They want to see a training policy. Will you use journeymen and indentured apprentices? Will you make sure people get trained on the job? Will you provide some sort of community benefit?

There are a significant number of jobs now being tendered by the Government of Canada to contractors—well, they're not contractors, they're really brokers. They will take the job. They will piece it out to anybody they can find, and a number of the people working on projects that are being funded by your tax dollars and mine are working in the underground economy. There's no WCB. There's no EI being paid. There's no tax being taken off.

In other cases, there are people who are on the site who have no training whatsoever. When you realize that the Government of Canada basically provides just about every dime that goes into the apprenticeship programs across the country through the labour market transfer agreements, every time the Government of Canada gives a job to somebody who doesn't train, they're working against their own efforts in another area.

Value contracting, actually looking at what you're purchasing, is really important. Sophisticated purchasers of construction understand that total installed cost and life-cycle cost are two things you have to look at. You get a cheaper unit price, but you're replacing it in five years instead of 30 years. What did you save? Nothing. We would desperately like to see the Government of Canada get out of the lowest price on the tender and into the best value as a result.

Mr. Pat Martin: Thank you for laying that out very clearly. I've always said that carpentry is the noblest of the craft trades, but I will concede that some pipefitters are very cultivated individuals themselves. You're a good example of that.

Mr. Robert Blakely: Thanks, Pat.

Mr. Pat Martin: If I have one minute left, I'd like to put a tricky question to you. You've probably noticed—I'm sure you've noticed—what's sweeping Bay Street right now is this concept of flow-through entities, income trusts, if you will, seeing as a theme of this investigation is increased productivity. They don't allow income trusts in the United States because they found that when the companies don't use their income to reinvest in R and D or expansion or growth, they flow it all through to the unit holders. It actually stifles productivity. So not only do you pay no corporate taxes, but you don't keep those earnings to reinvest in your own company.

Do you have an opinion on the public policy wisdom of income trusts as a cult phenomenon in the financial sector?

Mr. Robert Blakely: In my mind, finding ways to be able to keep wealth and not pay tax on it, to flow it in and out at will, works counterproductive to what we really want to try to achieve as a society. If everybody works and pays taxes and if everybody is trying to make it a little better, then just maybe we're going to have a better society.

Mr. Pat Martin: A fighting chance.

Mr. Robert Blakely: I'm in favour of keeping more money in my pocket, but you know what? If I have to pay a little more tax so that everybody else gets a fair shake, then just ask me and I'll pony up.

Mr. Pat Martin: In other words, if we wanted to address this double taxation of dividends issue, the income trust is probably a blunt, crude instrument to address it. Do you agree?

Mr. Robert Blakely: In my view, yes.

Mr. Pat Martin: Thank you.

The Chair: Mr. Solberg.

Mr. Monte Solberg (Medicine Hat, CPC): I thought I would talk about highways. You know I want to talk about income trusts, but I think I'll talk about highways.

Mr. Flewelling, I'm told that Canada we still in do not have the No. 1 highway anywhere near twinned all across the country. It's under 50 per cent, I think. Is that correct?

Mr. David Flewelling: Yes, that's my understanding as well.

Mr. Monte Solberg: Would the requests you're making of the government address this? Would it call for the twinning of the No. 1 highway all the way across, and what exactly would it call for?

I know in my stretch of the world we have the No. 1 highway going through twinned, but we have many, many places where major highways cross the No. 1 and there are no overpasses and it's dangerous. We have big oil and gas trucks crossing highways. We have cattle liners. Not only is there not an overpass, in many cases there's not even much of a space between the two lanes, so you'll have the big cattle liner overhanging into one lane when it's trying to get across. That's obviously pretty dangerous. I'm sure it's not very productive either because traffic is stuck at these things.

What exactly would your plan do?

• (1820)

Mr. David Flewelling: The plan would include the development and implementation of optimal design and operational standards. The provinces have said they are willing to work together on this.

They'd like the federal government to be involved. The territories would be involved as well. What we're looking for is the best design for any given circumstance. So depending on what the circumstance is, the design will change. It may involve twinning; it may not.

There's an idea they're using in Scandinavia and Germany and Scotland called "two plus one roads", which is a three-lane road that simply switches the lanes back and forth about every two or three kilometres allowing cars to pass each other for a certain period of time, then reverting back to one lane so the other side can get its chance. It's a very good, very safe opportunity, much safer than just having two-lane roads, and it would be much cheaper, obviously, than twinning the Trans-Canada. There are opportunities to look at some new ideas in terms of design.

Mr. Monte Solberg: At this point, I think you're arguing there's a deficit applied to everything now. There's an infrastructure deficit, of course. I think I saw somewhere that you were arguing that it would require about \$22 billion to address this deficit. But on Canada's national highway system, what would this be? Would it be overpasses, or is it indeterminate as yet just what exactly it would all be?

Mr. David Flewelling: You'll have to forgive me; I'm not a design engineer, but as I say, if the circumstances call for overpasses in a particular situation, then I think we'd be looking at overpasses.

Mr. Monte Solberg: That's fine. I was just trying to understand where that number came from.

Mr. David Flewelling: It comes from the Council of Ministers Responsible for Transportation and Highway Safety, both at the provincial and federal levels.

Mr. Monte Solberg: Right, but it implies some vision, and I'm just not quite sure what that would be. That's important, because it would tell us something about the issue we're discussing today, which is productivity.

But on the other side of this, if I understand correctly, you're talking about not necessarily money that the government has currently budgeted in its proposal for cities and municipalities—because the government has made it clear that it does not want that money put into these kinds of things, and it strikes me that maybe there wouldn't be enough money in that package to address some of the things you're talking about. So you're talking about new money, I gather.

Mr. David Flewelling: What we're talking about is money the government is collecting in excise tax and GST at the pump, roughly \$5 billion a year. We know that some of this money has been earmarked for the cities and communities agenda, but it's obvious that there's still money left in that particular collection plate, if you will. We're asking for \$2.5 billion a year. We think that will give us a good down payment on addressing the issue.

Mr. Monte Solberg: Mr. Laws, I have a meat packing plant that I can just about hit with a stone from my house—well, if I had a good arm I could, I guess. I know a little bit about the issue, but one thing you said that interested me—and I'm not sure how it would work—was the issue of providing incentives to people to come to work in plants. Much as I would love to see more people come and work for plants that may not always have enough workers, I have no idea how you could do that or, to be honest, how you could justify it.

Why don't you tell me what you had in mind?

Mr. Jim Laws: In the case of Brooks, Alberta, I know they have tried to build housing for employees, as has Cargill in High River.

We hadn't actually thought of something specific either, but perhaps even the suggestion that was given here. Maybe there'd be enough other suggestions to move workers around as required.

However, we have some parts of the country as well that would like to take advantage of the temporary worker program to bring people in from overseas, and we see that as providing some assistance, because it is a really tough job. We can't afford to pay the wages...in Alberta in particular we're losing a lot of employees to the oil fields because they're willing to offer so much more. Our companies can't afford to pay for it, and it's a very difficult situation right now indeed.

• (1825)

Mr. Monte Solberg: I appreciate that. You need to understand how much respect I have for people who work in those meat packing plants. You made the point, and I agree with you, that it is incredibly tough, and my admiration goes out to people who work there. A lot of these people come from other countries at this point. Certainly relative to where they came from, it is a very good wage. But I understand the difficulty.

My problem is that when companies have made pretty good profits, it's tough for me to argue that there need to be government incentives put in place to attract workers to this plant. I have tremendous admiration for the people who run it. They're personal friends. I don't know that I could go back home and argue that the government needs to come up with some subsidies to help workers get to that plant.

Mr. Jim Laws: Certainly in terms of that particular plant, they have invested a lot of their profits back into plant expansion. They took the capacity from 4,000 a day up to 5,000 a day. But in other parts of the country there are a lot of pork facilities, and those packing plants right now are not doing that well.

It's a very cyclical business. They've got to invest for the future, to keep business going long term, but it's a tough situation. They're trying to mechanize, put robots in to deal with part of the process. Again they've demonstrated in that particular location as well that they've done a lot. They have, I think it is, four people working full-time just trying to find employees from across the country. They've done extensive... They've tried to bring people in from... I think at one point Brooks had one of the largest Newfoundland populations, and now it's Somalis.

Mr. Monte Solberg: Now it's Sudanese.

Mr. Blakely, just on the same point, people are getting paid extraordinarily well in the oil patch. You mentioned how much

pipefitters were making. I didn't realize they were making that much money at Fort McMurray and places like that.

Given how much they're making, I have trouble seeing how a \$1,500 incentive along the lines you're suggesting would be enough to get them to go. If they're already making what sounded like \$100,000 a year, according to my rough calculation, then—

Mr. Robert Blakely: If they are living in Edmonton or Medicine Hat or Calgary, where they ride the bus to and from Fort McMurray, and they are home every weekend, they've been making \$100,000 a year probably since 1999.

If they're in Newfoundland or New Brunswick, where they haven't been working all that much in the last little while, and in fact have been on employment insurance for a significant period of time, that \$1,500 is a huge disincentive to get them to and from the job. They're 4,000 miles away. You can't jump in your car and get there if you don't have some money.

If the Government of Canada gave them \$1,500, got them to work, let them earn some money, and clawed it back at tax time out of their income, which they do now with EI—a program like this becomes a loan to get them there.

Mr. Monte Solberg: So you're saying a loan.

Mr. Robert Blakely: It could be. It could be a grant. It could be outright. If somebody shows up and works—

Mr. Monte Solberg: All right. It is a serious problem. I appreciate the problems in the oil patch. We do need to have more workers for sure.

Mr. Robert Blakely: I mean the skilled, qualified people. I am not saying a jack of all trades.

Mr. Monte Solberg: Yes, absolutely. I agree.

The Chair: The only problem is in the tax regime we do have a moving expense deduction—

Mr. Robert Blakely: To move permanently, and you only get it once every five years.

The Chair: Do you want to set up a program where you're going to be lending money, and do you want the government to manage that? I don't know.

• (1830)

Mr. Robert Blakely: Go to whatever Service Canada is calling the CECs. If somebody shows up there, give him \$1,500. If he stays for the 90 days, forgive that. If he stays another 90 days, pay him home. We've got the jobs, so....

The Chair: The CEC is what?

Mr. Robert Blakely: The Canada Employment Centre.

The Chair: Ms. Minna.

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

To continue with Mr. Blakely for a second, I don't have a problem with your proposal. My sense is that for people coming from Newfoundland, New Brunswick, or wherever, not only are they having to fly to their job, but when they are there for three or four months, they are also having to live in a rented place. They obviously have additional costs that the person who lives in the area wouldn't have, which would be in addition to maintaining the home they've left back in the other province for that period of time.

Mr. Monte Solberg: It's a choice.

Hon. Maria Minna: No, it's not always a choice. As you've said, your choice is either to be on unemployment or to be able to work. It seems to me that being able to get there and work makes more sense.

You're talking about being able to be mobile across the country and to move regardless what the jobs are. My colleague was saying earlier that it could be for one time, not necessarily two or three times. But it could happen that in one year the same individual ends up doing three different jobs in possibly three different parts of the country.

Mr. Robert Blakely: Yes. In fact, for some trades, such as boilermakers, for example, it's not unusual for someone to work in four different provinces for 12 different employers and to get an entire year of work in. The work is for short and sharp periods of employment at a power plant or a nuclear facility, where they're taking the boiler down and putting it back together, working as many hours as possible.

Hon. Maria Minna: Could the incentive be a tax deduction or a credit either on the ticket or on some other expenses that self-employed people have?

Mr. Robert Blakely: Yes. If these fellows were travelling salesmen, they would be able to write off meals, travel, and hotels.

Hon. Maria Minna: One could be creative in a sense to help the mobility of workers across the country.

Mr. Robert Blakely: There are at least four methods set out in our brief where we think this could be done through an outright grant or a loan in the tax system, as you suggested. We're not hung up on the method, and we're not saying we want a handout. We're saying that we've got people who we've invested in. Let's put them to work if we can. It's better for the country if the people in whom we've invested work at their trades and callings as much as possible.

Hon. Maria Minna: Would that concept work for you as well, Mr. Laws?

Mr. Jim Laws: Yes, it could work.

Again, it's a challenge at times in a lot of the areas. It's not exactly the same salary or skill level. In a lot of our cases, we're actually looking to attract low-skilled people to the area as well.

Hon. Maria Minna: One could look at something that is not exactly like that but similar. We're looking at incentives to have mobility of employment across the country where it's needed or in regions within provinces where it's needed.

There is a similar refrain here from the nurses association.

Mr. Blakely and Mr. Laws, it's different but it has a similar underpinning. Basically, you're asking the government to facilitate ways to provide incentives, whether it's professional nurses,

pipefitters, or other people, for mobility to other parts of the country where that's not possible or is not happening right now.

To the nurses association, would the same thing apply to doctors? The same kind of approach could be used for foreign doctors or any doctors to get them into certain regions. That's another problem as well. All health professionals are a major issue.

When you talk about SWAT teams, I have this idea in my head of revolving doors and revolving people staying for a couple of months, three months or six months, before coming back, and then another group goes. Is that what you had in mind, or did you use the terminology not quite intending it to mean in that way?

Dr. Deborah Tamlyn: No. You're right. It would mean that in areas where there are backlogs for care, it could be used for occupational health assessments or whatever work is needed to be done. I know it's a mechanism that's currently used for physician practices.

A friend of mine has come back from Newfoundland. She's been travelling from Nova Scotia, because they didn't have an eye surgeon. It's the same thing.

If there's a backlog in one community, you can free up some of your more experienced and seasoned individuals to go in and help with the backlog. They can in fact move and be a portable work system.

● (1835)

Hon. Maria Minna: It's a portable and mobile labour force for whatever one is looking at. I think that's very relevant.

Dr. Deborah Tamlyn: I'm not entirely sure, but I think the distinction in our proposal was that the incentive or the focus was on providing support for education. That might have been the distinction.

Hon. Maria Minna: The training for them, I understand that. But the support for education and training—actually, I was wondering what Mr. Laws would think of that.

Another question I have for you is this. Earlier you mentioned skills training, the importance of skills and improved skills and management. I understand incentives for SMEs, because they're small businesses and they don't have the same kind of infrastructure or financial room to play with to train their own employees through incentives and assistance, but for larger companies that don't train, I'm wondering whether we need incentives, or maybe a charge. I think Quebec charges, if I'm not wrong, Mr. Bouchard, 1%, or it collects 1% of wages or something from companies, which the province then uses to train. So rather than incentives, the province charges.

I'm asking you this. For SMEs, probably an incentive, but for larger companies, probably a charge, like the 1% they have in Quebec. There are some companies that do very well in training employees, but there are far too many companies in this country that simply don't do any upgrading or training of their labour force well enough.

I guess I'm asking if it should be strictly an incentive or whether it could be a two-pronged thing. Quebec is an interesting model that I really like.

Mr. Jim Laws: Our larger members pretty well do training in-house. They see the competitive advantage of offering that training themselves to their employees.

Hon. Maria Minna: Where you can actually—

[Translation]

Mr. Robert Bouchard: In Quebec, it is 1 p. cent of the total payroll for businesses having a number of employees beyond a certain threshold. As well, businesses that do not spend the allocated amount in the area of training will be fined, because they must still incur the expenditures.

[English]

The Chair: It's 1% on payroll and it's for payrolls over \$1 million. For payrolls under \$1 million, there's no training provision. It's very simple.

Mr. Jim Laws: Are you asking for my opinion as to whether I think this should be instituted as a mandatory requirement? No, I don't think we believe that's the case.

The Chair: There are ways to get around it, because it still has to be audited; it's not—

Mr. Jim Laws: You asked us for our input on how to improve productivity. We've made a comment that if you're going to do it, that's one of the ways to do it, but make sure that as a result of getting some of that government money to train, employers show you they're hiring more people as a result. We certainly don't expect sector councils to be set up and not show their work, that's for sure.

Hon. Maria Minna: I agree. We're looking at productivity too, and I'm looking at ways to make sure that... One of the things I've always felt in this country is that we do not have a strong enough national apprenticeship training, skills training, program. We tend to do it ad hoc when there are crises, or industry by industry, and this is

why I was looking at ways whereby it could become a culture in the country, where every company, small, big or medium, would actually be doing training and constant upgrading of the labour force and skills.

That way you would maintain your labour force, upgraded, and the government would come in to help transit from one industry to another. If an industrial sector is having a slump, or at least there's restructuring of the economy, as there was in the last recession, a lot of companies simply shut down. There needs to be a major retooling, if you like, of our labour force skills to transfer to other types of skills. That's where I was going, to see how that could work, whether through the Quebec system or strictly through incentives. But I get your point; it's pretty straightforward and I accept that.

One last comment to Mr. Flewelling. I understand the roads thing and the hybrid cars. I think it's fantastic and we need to go there. My only point is that I would like to see us focus it if we're talking about a national transportation program, focus on yes, we need to fix the roads, we need to expand the roadway, but also focus on trains. It has to be an integrated system.

I wanted to ask you, is there any particular position on the part of the automotive industry about having trains transport most of this stuff across as opposed to on the highways? When I'm on the highway and I see all these trucks...sometimes you're the only little car there with a dozen trucks around you. I would like to see that stuff on trains.

● (1840)

Mr. David Flewelling: We're certainly believers in a balanced transportation system. I think moving things over to the rail system will obviously require additional investment in that particular infrastructure. I certainly applaud the sentiment of looking at what needs to be done to serve different needs and finding a balance.

Hon. Maria Minna: I think we need to invest in both, not just roads but also rail transit. Otherwise, the environmental issue is not really ever addressed properly.

Thank you.

The Chair: Thank you, Ms. Minna.

Before we go... Mr. Blakely, is there no way that companies can pay for the \$1,500 mobility grant? If they really need an employee, can they not offer the \$1,500 as an incentive?

Mr. Robert Blakely: Some companies do, but if you need 600 or 1,000 employees, that's a lot of money to be offering. Generally speaking, that may be the profit that the company would get out of the construction contract.

The Chair: Okay. Thank you again.

Thank you to all the witnesses for taking time from your day. We appreciate it.

The meeting is adjourned.

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