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Mr. Dean Allison

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•(1020)

[Translation]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): In accordance with Standing Order 108(2), the committee will begin its study on employability in Canada. This morning, we will be seeing representatives of the Canadian Construction Association and the Canadian Federation of Independent Business.

[English]

I believe we're supposed to have also the Conseil interprofessionnel du Québec, but they have not arrived yet.

[Translation]

If you need simultaneous translation, you will find the English on channel 1 and the French on channel 2. Every group will have seven minutes to make a presentation, after which there will be a question-and-answer period.

Mr. Argento, the floor is yours. You have seven minutes.

[English]

Mr. Alfonso Argento (Chairman, Canadian Construction Association): Merci. Thank you very much.

Good morning, everyone. Good morning, Mr. Chairman, and good morning, members of the committee. My name is Alfonso Argento. I'm the current chair of the Canadian Construction Association. I'm also a contractor. I'm president and chief operating officer of a company called Seven Brothers Construction based here in Quebec and Montreal. We are a family operated business.

With me this morning is Jeff Morrison, who is CCA's director of government relations and public affairs.

On behalf of the Canadian Construction Association, I want to thank you for your invitation to appear before you today. We are pleased to present our views respecting the consultation on employability in Canada. Certainly this matter is of significant interest to CCA and its members.

CCA is well positioned as the national voice of non-residential construction in Canada. CCA's activities benefit more than 20,000 enterprises in the industrial, commercial, and institutional sectors of the construction industry in the country.

[Translation]

The Canadian Construction Industry is facing an unprecedented labour shortage, due primarily to the aging workforce and

exceptional economic growth in Canada for some years. In fact, a recent study by the Construction Sector Council shows that the Canadian Construction Industry will have to recruit at least 190,000 new trade workers over the next eight years.

We recognize that no single initiative can deal with the increasing demand for workers and solve the labour shortage issue, be it apprenticeship programs, immigration, worker mobility, or career promotion in non-traditional construction jobs. We will have to take an ongoing, multifunctional and multidimensional approach in order to identify all facets of the problem. That approach will require government support at a number of levels, as well as the support of construction industry stakeholders.

The main focus of this committee's study is employability in Canada. In the brief we have submitted to the committee, we have highlighted the following points, which in our view require additional measures.

First, the pool of Canadian workers will have to be increased. Second, the challenges and opportunities associated with the permanent and temporary immigration of foreign workers will have to be identified, and third, worker mobility across Canada will have to be promoted.

I would like to take the time I have left to make a number of comments on some of the points raised in our brief.

[English]

Concerning national apprenticeship standards in Canada, there is no question that a smooth-functioning construction industry is dependent upon a highly skilled, occupationally and geographically mobile labour force. To that end, we call on federal and provincial governments to work towards the development and implementation of national apprenticeship standards for Canada.

Under the current apprenticeship system in Canada, ten provincial and three territorial governments set the training standards for apprenticeship in their respective jurisdictions. This is often done without concern for what prevails in other jurisdictions. Resulting from this diversified approach to apprenticeship, we find differences in trade names, training curricula, and in which components of a trade they are compulsory and in which they are on a voluntary basis. The criteria differ from province to province, from territory to territory. We do not have a uniform system.

CCA believes mobility will be facilitated by development and adoption of common apprenticeship standards for Canadian skilled workers. We may already have that standard in the interprovincial Red Seal certification program. CCA is a strong proponent of the Red Seal program; however, its applications are limited to a small number of trades. Currently, only 45 of more than 300 designated Red Seal trades have the Red Seal standing. We believe the Red Seal program ought to be expanded to cover the broadest range of occupations for which apprenticeship or significant training is required.

Concerning support for apprentices, we applaud the federal government's recent demonstration of support for apprenticeship by way of the apprenticeship incentive program announced in the May 2006 federal budget. Although these initiatives are a good start to encourage apprenticeship in the trades, more can and must be done.

For example, the application of the tax credit and the tax grant is limited to Red Seal trades. It is our view that these federal budget initiatives must be available to all trades, since it should be clear that all construction trades meet the budget inclusion test of being economically strategic.

We believe that the earn while you learn nature of apprenticeship ought to extend to the in-school portion of apprenticeship training as well as the on-the-job training portion. We therefore call on the federal government to address provisions of the Employment Insurance Act that serve as barriers to allowing apprentices to earn while they are taking the in-school portion of their apprenticeship program.

Concerning challenges and opportunities offered by immigration, both on a permanent and temporary basis....

•(1025)

[*Translation*]

The policy and process underpinning immigration in Canada are structured to ensure that Canadians have first refusal on job opportunities in Canada, and preventing the hiring of foreign workers from having a negative impact on Canadians' job opportunities. The Canadian Construction Association vigorously supports the policy. However, given the unprecedented growth in the industry and the difficulty of recruiting Canadian workers in sufficient numbers, the Canadian Construction Association believes that temporary and permanent immigration could significantly contribute to the availability of construction workers in Canada.

In July, the CCA published a series of recommendations on how the government could reform the immigration system to meet human resource needs in the construction industry. The recommendations included the following:

First, review the points system used to assess skilled workers, put a stronger focus on criteria associated with experience and arranged employment. Second, extend the list of trades eligible under the temporary foreign workers program to include the greatest possible number of construction trades. Third, expand the seasonal Agricultural Workers Program so that it also covers the construction industry. Fourth, establish a process other than deportation for workers without papers, so that they can stay in Canada and have legal representation while they are in Canada without forcing them to

go back to their countries of origin and then come back here, with all the frustration that entails. In any case, these are workers we need here, now

The Canadian Construction Association believes that, with these changes, Canada's immigration system would be much more useful in meeting labour market needs in the construction industry.

[*English*]

Next is promoting labour mobility in Canada. Employment in Canada in the Canadian construction industry is, by its very nature, characterized by high mobility. Construction projects are always a temporary work site, and it's not uncommon for construction workers to be moved about regularly among numerous job sites. For the most part, mobility is limited to movement within a region or a province, such as the region of Montreal or the province of Quebec. There are times, however, especially in periods of economic growth—or recession, for that matter—when workers need to be mobile on an interprovincial basis. The current economic boom we are experiencing in Alberta and B.C. is a good example of that, and you see a massive movement of people from east to west.

We were encouraged by the announcement of September 7, 2006, coming out of the committee of federal-provincial-territorial ministers responsible for internal trade respecting the goal of unrestricted mobility for Canadian workers by April 1, 2009. We believe this is a worthy goal and one that will allow labour market decision-makers at the provincial and federal levels to focus on the issue of enhancing labour mobility in the country. Notwithstanding the existence of the Red Seal program, other barriers can limit interprovincial mobility.

There is considerable cost involved in moving temporarily to a new location to seek employment. There are the costs of travel and accommodation, as well as general living costs just to go and look for work in a new location. There are also the other costs of maintaining a second home, as most workers will not want to disrupt family situations to move to temporary employment. We believe these costs could be reduced by assisting unemployed workers to relocate to new employment. This could be accomplished through the reintroduction of the exploratory component of the federal government worker mobility program that was in place in the mid-1970s. Under this program, an exploratory grant was available to workers to help them defray the travel and accommodation costs incurred in seeking employment in another location of the country.

I will conclude, Mr. Chairman. The Canadian Construction Association is pleased to have had this opportunity to provide our input to your deliberations on employability in Canada. The reports we are receiving clearly suggest that Canada is stricken with a serious labour force deficit in the immediate years ahead of us. We believe the federal government must take a leadership role to ensure that Canada is able to maintain its global competitiveness by ensuring that we have an adequately skilled labour force to meet the demographic challenges the country faces in the immediate term and the economic growth that is projected for the coming decade.

Thank you very much.

• (1030)

The Chair: Thank you, Mr. Argento.

We're going to move to Mr. Lavoie.

[Translation]

You have seven minutes.

Mr. André Lavoie (Senior Policy Analyst, Canadian Federation of Independent Business): Thank you, Mr. Chairman.

[English]

Thank you, Mr. Chair.

If you don't mind, Mr. Allison, I will address you in French, as it is my mother tongue, but I would be more than pleased to answer questions in French or English, depending on who is asking.

[Translation]

We are very pleased to be here today. The Canadian Federation of Independent Business is an organization that represents SMEs from across Canada. You have before you a presentation of a few slides that I will come back to briefly, so as to allow a time for discussion afterwards.

Some of my colleagues already appeared before the committee in Newfoundland and in Moncton. Many members of the Federation are present since the issue of labour shortage is one of the constant priorities of SME leaders, throughout Canada as well as Quebec.

In the past few years, we have seen that the labour shortage was closely linked to several problems, be it the tax burden, be it administrative and regulatory burden or employment insurance. The heads of SMEs talk to us about the labour shortage every year, because this is a constant priority for them. And their concerns in this regard have been growing in the past few years.

In the slides that I distributed, you will see that the concerns of the heads of SMEs are not necessarily tied to unemployment rates. One might tend to think that the labour shortage is inversely proportional to the problem of unemployment, but that is not necessarily the case.

Alberta is currently experiencing significant labour shortages. Our SME leaders say that the qualified labour force, more specifically among the young, is moving West, which hurts them. In fact, Mr. Argento asked a question earlier dealing with the mobility of the labour force.

That fact that we are in a period of lower unemployment does not necessarily stop the problem of labour shortage from getting worse.

The Canadian Federation of Independent Business is an organization that polls its members. We asked them questions about their hiring plans for the next 12 months: only 26 per cent of them intend to hire more full-time workers in the next 26 months, and only 13 per cent of them intend to increase their part-time workforce.

These low percentages are closely linked to the problems in hiring workers. Our members will still fill their labour force needs, but by using different strategies. They will hire underqualified staff or temporary staff or even let business opportunities pass them by. Generally speaking, these strategies are not necessarily viable in the long term, because they only fill a short-term need.

The time involved in training new workers often represents a considerable number of hours for employers in all regions of Canada. These employees are not necessarily qualified and need to be trained in order to bring them up to par.

However, the tendency to train new employees is lower in Quebec than elsewhere in Canada, which is somewhat worrisome. Quebec provide 104 hours of informal training and 22 hours of formal training to new employees whereas in the rest of the Canada it comes up at 113 and 23 hours respectively.

• (1035)

It is appropriate to examine the issue of training in greater depth, because that is one of the solutions to the shortage of qualified labour. When we ask our members what government can do to alleviate labour force shortages, we see that labour force training, especially in Quebec, is a very compelling subject for the heads of SMEs.

With the adoption of the Act for the development of manpower training, known as Bill 90, the heads of businesses whose payroll is \$1 million or less are exempted from the obligations under this act.

The CFIB has often criticized — and I will get back to this — the burden that this legislation placed on the heads of SMEs. And yet, the CFIB is not against labour force training by SMEs. As we are members of the Commission des partenaires du marché du travail [Labour Force Partners' Commission] and we have a vision on this very issue, we will have opportunities to discuss it further.

Quebec has many areas of jurisdiction: employment, training, immigration, etc. We will soon be publishing an extensive survey on the labour shortage. For the past few years, the federation has been keeping an eye on this issue. Our report on this monitoring, which will also deal with the question of immigration, will be published in the coming weeks.

The federal and provincial governments must coordinate their efforts in order to create flexible approaches, be it on training, employment insurance, immigration, pensions, etc., and find solutions.

We also believe that it is important to educate business, and bring everyone on a level-playing field. One must understand the reality of SME leaders. A SME is not a multinational corporation. The head of the business wears many hats: director of finance, director of human resources, production manager. Moreover, he brews the coffee for his employees in the morning.

You must take into account the reality of managing a SME when you develop public policy. I could discuss this at length, but we will certainly have an opportunity to discuss it in the coming minutes.

Thank you.

•(1040)

[*English*]

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

We're going to move to our next guest, who has just arrived, Monsieur Gariépy.

[*Translation*]

Mr. Gariépy, you have the floor for seven minutes.

Mr. André Gariépy (Director General, Quebec Interprofessional Council): Ladies and gentlemen, Canadian parliamentarians, good morning. Welcome to Quebec and to Montreal, a region where realities sometimes take a different form which must be taking into account. I am here today to discuss one of the realities we experience from the stand point of regulated professions.

You have received my brief directly, since I am aware of the rule to the effect that one does not transmit documents that are not translated into the other official language. The employees of the Parliament of Canada are rigorous in applying this rule. When it reduces access to information, it does trouble me somewhat. So I therefore sent you our brief directly. Thanks to the fine service of the translators, you will receive the English version, as was the case when we appeared before the Standing Committee on Citizenship and Immigration in April 2005. You might also want to consult the brief that the Council tabled at that time.

These two briefs are quite similar, because in our opinion, these two orders of reference overlap. This only leads us to wonder whether parliamentarians talk to one another. Two standing committees are broaching more or less the same subject: recognition of foreign credentials for immigrants. This leads me to believe that the federal government is experiencing some difficulties, because two or three departments are getting involved in the same issue, namely Citizenship and Immigration Canada and Human Resources and Skills Development Canada. This may make us question the way the government does things, because one has to choose the right interlocutor. I see a lot of people smiling, which indicates that you understand what I am talking about.

Despite the rather broad mandate the committee has taken on, we only intend to deal with the issue of recognition of credentials and labour force mobility, since the Conseil interprofessionnel du Québec is a group of 45 professional regulatory bodies in Quebec. We do not represent business people and we do not represent other groups that have an interest in the other issues that you wish to address. We only represent organizations that regulate professions. That is already quite a lot. If you follow the news, you will note that this is often the

example that is given to cast a few stones or express good wishes on this issue.

Today, I would like to give you some examples of the reality of the situation, beyond perceptions and prejudices. Facts prevent us from thinking what we want, and it is important to know those facts. It is all the more important for parliamentarians. If you are taking a tour across Canada — which must be costing you a pretty penny — it is because you want to be aware of the reality. You want to make up your own mind about this reality. Well, we will explain some of these facts.

What is professional regulation? I know that the reality may be different in other jurisdictions, but in Quebec, which has its own Code des professions, professional regulation has relied on the notion of protecting the public, for the past 30 years or so, because there are risks associated with certain activities. It is important to monitor professionals as soon as they start their practice, in order to ensure competence at the beginning of their careers and throughout their professional life. This is a provincial jurisdiction, not just by tradition, but also because most of the time, such services must be delivered locally. The Fathers of Confederation understood this correctly 100 or 200 years in advance. They understood that it was good idea that the legislative assembly closest to the people be the one with oversight over professions in order to provide services close by.

To our mind, professional competence is the foundation of the quality of the professional act and the risk management associated with professional practice. From that standpoint, we assure quality for the people of Quebec through 45 professional orders, be it the College of Physicians, or associations of engineers, professional technologists for which my good friend André Lavoie worked a few years ago, or regardless of the field where there is a professional order. It is from this standpoint, that this legislative framework is applied in Quebec. For us, employability means competence within the context of risk and legal responsibility.

•(1045)

Now what about mobility? A professional licence is a tool for mobility, but since professional legislation is designed for the territory where it is expected that most professionals will practice, of course, the specificities, the criteria and the standards are Quebec owns.

I have some concerns about the way the health care system and physicians are overseen in British Columbia. I go there perhaps once every five years. For me, the nearby service is in Quebec, and it is Quebec legislators that I will call upon to reflect my concerns as a citizen with regard to the implementation of oversight standards for physicians who treat my loved ones, my family, my friends and colleagues. Therefore, professional regulation is a reality that is still mostly local and regional. There is mobility, there are inter-jurisdictional services, and in this regard, there are to be certain mechanisms in place.

Quebec professional orders fully participated in the drafting of the agreement on internal trade. Over two thirds of them signed agreements with their counterparts, where they exist, because there are institutional realities that vary from one province to the next. They signed mutual recognition agreements in order to facilitate this.

Quebec was even an avant-garde by lifting certain traditional restrictions associated with professional regulation, notably with regard to citizenship. Professional orders must adopt training equivalency rules in order to recognize the reality of the labour market and the experience acquired on the job.

For many years now, together with several stakeholders in Quebec, we led a reform, or one might say a revolution, regarding the recognition of the foreign credentials of immigrants. In fact, I have an exclusive for you: we have just received an award from the Canadian Association for Prior Learning Assessment, for the actions that the Quebec inter-professional Council — in other words, all of the professional orders of Quebec — have taken since 2001 to promote recognition of prior learning by immigrants. Quebec is now the leader in this field in Canada among professional regulatory organizations, with regard to measures taken to foster recognition of immigrants.

What about the federal legislator and the federal government? The economic challenge, which is one of the consequences of the demographic challenge, must be a constant concern for any legislator in any level of government. When it comes to taking action, it has to be effective. Action must be taken wherever you find the people who can deliver the goods and where the problems and the reality arise.

In Canada, there are five economic regions whose systems and labour force structures vary. Of course, there are exchanges between the regions, but the fundamental realities, the geographic realities, the economic realities, the structures of the economy and the structures of the industry are regional in Canada. There have always been and there always will be five economic regions, and each one experiences its own reality when it comes to the labour market.

I do understand that the federal government is concerned with development overall, and with Canada's performance on the international scene and its competitiveness and that it wants to take action. But let us be careful here: when it comes to the constitutional areas of jurisdiction of Quebec or the other provinces, when it comes to being effective, it is hard to believe that it is preferable to manage things from Ottawa. We had high hopes, given everything the Conservative Party had said during the election campaign about respecting areas of provincial jurisdiction and working with the provinces. Unfortunately, the arrival and announcement of an agency for the recognition of prior learning which will be superimposed on what has already been done in many provinces and especially in Quebec, where mobilization is well anchored and delivers results, is very troublesome to us. We are worried about this. We feel that it is a waste of resources and pointless overlap.

We are here to tell you that things are going well in Quebec. We still have a great deal that needs to be done, but we are moving in the right direction. The Quebec government is well connected with its partners, the professional orders and support groups for immigrants. There have been reports, documents that are very clear, very concrete, and we are at the stage where we are taking action. If the federal government creates another structure, another place for discussion or intervention, there will be overlap, inefficiency and worse, it will mean that the problems will persist even longer. This is not beneficial to immigrants, nor to Quebec or to Canada. Let us work with the people who have the solutions and who are already in the field.

• (1050)

If the federal government wants to earmark money — and we all hope that this will happen — it should transfer the money to Quebec. Quebec already has a well-organized system and the results speak for themselves. So let's go forward then.

[English]

The Chair: Monsieur D'Amours, for seven minutes.

[Translation]

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Thank you very much, Mr. Chairman.

I will begin by combining both groups, namely the Canadian Construction Association and the Canadian Federation of Independent Business. Please let me know whether I am heading in the right direction. Thirty-one per cent — which is almost 33 per cent — of the members of the Canadian Federation of Independent Business in Quebec are companies which operate in seasonal sectors, not only in Montreal, but also in outlying areas. This would include the restaurant and hotel sectors, and even agriculture and construction.

I am convinced that you each face challenges as far as retaining workers is concerned in these various sectors. Because of the specific type of work involved, seasonal cycles are bad for business. You cannot harvest potatoes or broccoli, or work in some areas of construction, 12 months a year. It's possible in some sectors, but not in others.

Is it difficult, for either one of your organizations, to retain workers for the next season? In some sectors, the timelines may seem short, but if there is no work ten months out of 12, it's vastly different. Generally speaking, how do your members deal with the problems associated with seasonal work?

Mr. Alfonso Argento: Up to a certain point, our industry is affected by the weather, but for the most part, we operate 12 months a year. This situation, however, is improving with climate change.

A construction worker generally stays in the construction business. It does not happen very often that a construction worker will also work in the restaurant business unless he has been involved in a workplace accident making him unable to stay in that sector, and so perhaps he would have had to retrain for another line of work.

I do not think that seasonal cycles generally are a problem for the industry.

Mr. André Lavoie: That's a business which is benefiting from climate change.

In fact, one of the biggest problems faced by these types of business leaders is that they must comply with regulations which are not necessarily adapted to the specific workplace conditions of their companies. For example, Quebec has had a parental insurance plan for about one year now, which is different from those of other provinces.

Let's take the case of a businessman who grows small fruit or vegetables and who employs foreign workers, such as Mexicans, on a seasonal basis. This businessman must, because of existing social programs, pay the same employment insurance premiums for these workers as he does for his permanent staff. This puts the seasonal workers and the permanent employees on equal footing. Perhaps we should give that a little more thought.

Lawmakers are beginning to adopt measures which take into account the size and specific conditions each business operates under. For too long, the Quebec government — even though the federal government also does not have a perfect record — based its policies on large companies. The reality of smaller businesses was not taken account, whether they were seasonal businesses or other types.

Over time, the size of a business was taken into consideration and we are beginning to see policies and laws which take this reality into account. When you develop your policies, I would encourage all federal or provincial legislators — and I will not get into a debate on areas of jurisdiction — to take the reality of these people into account.

I will conclude by saying that, on average, Quebecers work between 32 and 33 hours per week. There has recently been a long debate on this subject, but I will not get into that issue this morning. Forty per cent of small- and medium-sized business owners work 40 hours or more a week, and 30 per cent of them work 60 hours or more. This applies only to sectors which produce goods and services. These people do not work these hours just to comply with regulations or legislation. So I think you should take this into account when you develop your policies, whether it be at the federal or provincial levels, or elsewhere.

•(1055)

Mr. Jean-Claude D'Amours: I would like to come back to the issue of agriculture and the primary sector, and of hotel and restaurant services in the tourism sector.

I come from northern New Brunswick. These concerns all come together, be it in my area or in other areas of Quebec. We are dealing with similar communities, which are often rural.

Are we to tell a person who finds work for eight months a year that we will move heaven and earth to retrain them and that we will send them off to another type of job, that this person will have to move elsewhere in order to work all year? Would that cause a problem to the businesses you represent when a worker is not available the next year or the next season? Would you have to train someone new and find new workers? Does this also aggravate the problem you talked about, which is the obligation of employers to pay employment insurance premiums for every employee, irrespective of their status?

Mr. André Lavoie: Obviously, if there is a regular turnover of staff, it's not necessarily easy for a business person to train a new employee, since there are hiring costs involved. In fact, it probably costs more to hire someone than to retain workers.

Of course, we all know that the West is booming today.

Take our young people living in outlying areas of Quebec, for instance. It is clear that a young person who is the least bit qualified,

who knows that with a specialized college degree they can easily earn 25\$ or 30 \$ an hour, may be tempted to pick up and move. But is this person's departure necessarily linked to the working conditions of seasonal employment? I could not say.

•(1100)

[English]

The Chair: Thank you very much. That's all the time.

We're going to move on to Monsieur Lessard, for seven minutes, please.

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Thank you, Mr. Chairman.

I would like to begin by thanking you for sharing your knowledge and for giving us your opinion on how our policies should be directed.

My first question is for Mr. Argento.

I am pleased to hear you talk so spontaneously and so disingenuously about foreign workers whose residence permits expire and who are sent home again, when in fact they have to come back. I agree, it is absurd. You say that we have to put an end to this nonsense. It is rare that a person with responsibilities such as yours states things as clearly. I share your opinion. Not only is it an unfortunate situation, but it is also an insult to a person's intelligence.

As did the other witnesses, you began by talking about worker mobility. You said that in the construction business, including under the Interprovincial Red Seal Program, it will be possible to provide more general training to help workers move from place to place. You said that 300 trades or professions could be covered.

Mr. Gariépy, among others, pointed out that regulations applied in particular to distinct economic regions. Don't you think that it's bad for the labour market if worker mobility is based on regional or economic factors?

Mr. Alfonso Argento: You are right, Mr. Lessard.

We are dealing with programs that allow for interprovincial mobility. Obviously, we must do this in coordination with the provinces. In fact, in many cases, these activities come under their jurisdiction.

Canada is a huge country with a diversified economy. Currently, the situation is somewhat special, because we are going through an economic boom. The economy is doing better in some regions than others, but as a whole, it is doing well.

In provinces with a less vigorous economy, people are happy to move to regions where they are jobs. We think that we must improve mobility so that those regions of Canada that need manpower can benefit from its availability. Finally, we think that we should not miss this opportunity. You must act in coordination with local authorities. I agree with Mr. Gariépy when he says that each province's jurisdiction must be respected.

Mr. André Lavoie: With your permission, let me follow up in these statements.

I do not mean any offence to my colleague André Gariépy when I say that the provincial regulatory systems are not entirely perfect. We saw this during the dispute between Quebec and Ontario regarding construction. It took several years to resolve. And I do not mean only legislation that has to do with professions. In Quebec, the construction industry has specific features, such as a specific law that deals with labour relations in the construction industry. Now this is where problems arise.

In early September, a forum was held on the Quebec construction industry at Mont Saint-Sauveur. The entire issue of manpower mobility was raised. In Quebec, it is a serious internal problem. The federation also represents construction entrepreneurs. It is difficult for them to move people, even in the regions.

If people from other provinces offer their skills to Quebec entrepreneurs but it does not agree with the current accord, for example such as the one between Quebec and Ontario—and this is very obvious in the Outaouais region, which borders on Ontario—, there are problems. Thus, we must encourage all the work done in promoting mobility, from the interprofessional Council, among others.

Later, I will deal with the recognition of workers' qualifications, both at home and from abroad.

• (1105)

Mr. Yves Lessard: There is a saying — and I do not know whether it is Canadian or from Quebec — that says that when the construction business is doing well, everything does well. This means that the construction industry, both residential and industrial, is a substantial economic force. We have seen this in past years. Now workers are being recruited in somewhat haphazard conditions. When the need for manpower arises, we realize that people look for places where manpower is plentiful.

Earlier you mentioned the fact that the labour force is aging, and that we must do things differently. In the construction business, is it a serious problem when older workers who can still work can no longer provide the same output. We know that construction work is physically demanding. Are we going to ask these people to move either within the same province or even within the same region once they have settled down in a community with their family, their friends and their possessions?

In such circumstances, how can we take advantage of this extraordinary economic and human asset? You must certainly have thought about this issue.

Mr. André Lavoie: You have clearly identified the problem, and this raises the full issue of apprentices and companions. At the time when I represented young professional workers, I saw quite a few young college graduates specialized in technical subjects who could not find work in the industry because they were harassed by the *Commission de la construction du Québec*.

Currently, we have a problem that mainly has to do with entrepreneurs. I understand that older workers may feel threatened, but this is no reason to stop young workers from moving to different regions. These are skilled workers trained by the Quebec education system which is envied all over the world. Some of them would be ready to make the sacrifice and move.

Let us keep in mind that this is a seasonal industry. Choosing to work in construction is somewhat like choosing to become a soldier. Such jobs entail a certain amount of mobility. But it still remains that these people need permits in order to move. There is no reason why we cannot do this while still respecting older workers. As you said so rightly, the older workers are getting older. If we do not rely on younger workers to prepare for the next generation, we are shooting ourselves in the foot. Our industry is under provincial jurisdiction, but let us not forget that the same applies to the other provinces.

[English]

The Chair: Please make just a quick comment, Mr. Argento.

Mr. Alfonso Argento: Okay.

[Translation]

I would just like to add that more than more solution is needed to settle the labour problem. It is a tough profession. Consequently, when workers reach the age of 55 or 60, we could no longer expect them to work 40 or 50 hours a week. Of course, we want to keep them as long as possible, so long as they are able to work. Sometimes they can work just two or three days a week rather than four or five days. We must look at the whole picture. There are many things to do, not just one.

We heard about promoting apprenticeship. These people need to be trained but they also must be sure to get work after training. The first budget provided tax credits both to employees and employers to help their integration into the labour market. It is difficult to break into the field of construction, but once you are in you stay. We must emphasize this fact.

The future essentially belongs to youth. We must recruit groups that do not lean towards construction, for example women and Aboriginals and of course immigrants. We must also emphasize mobility. In any case, we should not think that any single one of these factors will solve the problem. We must use all the means available. This is quite a challenge.

Thank you.

• (1110)

[English]

The Chair: Thank you, Mr. Lessard.

We will now go to Madam Savoie.

[Translation]

Ms. Denise Savoie (Victoria, NDP): Thank you very much.

Thank you for your presentations. You raised some issues that I am especially interested in. They have to do with British Columbia, where I live. Of course, things are heating up in the construction business. We also experience the problems that you just described.

You mentioned the tax credits that were in the last budget. I agree that this is a good start. However, as you said, this strategy does not solve problems with mobility, qualifications and so forth.

You mentioned the Interprovincial Read Seal Program. You said, I think, that 45 trades were recognized among 300 existing ones. Are there really 312 trades or is this a further breakdown of the 45?

Regarding this breakdown, our experience in British Columbia was not all that useful for a certain number of apprentices.

Mr. Jeff Morrison (Director, Government Relations and Public Affairs, Canadian Construction Association): Ms. Savoie, I do not want you and the other members of the committee to suffer. Since my French is terrible, I will answer in English.

Ms. Denise Savoie: One can express oneself here in either official language.

[English]

Mr. Jeff Morrison: There are 200 trades identified by HRSD under their so-called Ellis chart, which lists apprenticeable trades in Canada. As you correctly point out, only 45 of those 200 are identified under the Red Seal program.

Ms. Denise Savoie: But do some of those 200 imply a finer cut of the 45, or are they other trades? Certainly I can think of some in the technical field and so on, but I'm curious, do any of those 200 involve a finer cut of the 45?

Mr. Jeff Morrison: Some, yes; some, no. That's the easiest answer. For example, there is a trade identified as form worker, which is not a Red Sealable trade.

Form workers are those who establish the foundation of a building. That is not Red Seal, yet it is one of the 200 trades. It has no other category, if you will. It's not a subcategory of another trade, whereas you will have some trades that could be considered potentially subtrades or a subdivision of a major trade.

For example, you have the Red Seal trade of an electrician, yet one of the non-Red Seal trades, identified as one of 200, is a technical electrician. Now what the exact difference between those two is, I couldn't tell you. So yes and no is the easiest answer.

Ms. Denise Savoie: I was thinking of the way some trades have been cut up in the construction field in B.C., where you have a door hanger—that's the training, and that's where it begins and ends, which has caused problems. This loses the whole vision of becoming a builder, and because it's the job available, sometimes they get caught in just door hanging and that's where they are. That's where they begin and that's where they stay. So I was concerned about that, and you've clarified it.

• (1115)

Mr. Jeff Morrison: Frankly, it's exactly this situation that you talked about, which is why we're asking for some form of national standard for these various trades. The situation you described in British Columbia may not be the same here in Quebec, or it may not be the same as in Ontario, because different trades are defined in different ways.

[Translation]

Ms. Denise Savoie: Thank you; I appreciate that clarification. I think that indeed, in the case of many trades, that would allow for greater mobility.

Mr. Lavoie, you talked about development and training, and I found it interesting that you are not particularly in favour of this bill, whereas in the past few weeks, many witnesses presented it to us as a solution.

I did not really understand why you are not in favour of this. You mentioned the official and unofficial number of training hours and you compared the situation in Quebec to that of British Columbia. There is not a great deal of difference.

Mr. André Lavoie: I must clarify what I said, Ms. Savoie. I said that when the legislation was implemented in Quebec, the incentive was of a financial nature, meaning that the purpose was to increase investment in training. The way to go about this was to create the *Fonds national de formation de la main-d'oeuvre* [The Quebec Labour Force Training Fund]. An employer who could not demonstrate that he had invested 1 per cent of his payroll in labour force training automatically had to send a cheque for the corresponding amount to the Ministry of Revenue, which then sent on the money to the Labour Force Training Fund. We have always said that was not the appropriate approach.

Let us be clear here: the CFIB is in favour of labour force training development. In fact, quite recently, a parliamentary commission examined the five-year report dealing with this legislation. We are certainly not asking that it be abolished. Quite the contrary: following the raising of the payroll ceiling to \$1 million or more, we accepted an invitation from the Minister of Employment at the time to sit on the *Commission des partenaires du marché du travail* [Labour Force Partners' Commission] in order to make Bill 90 more effective, that is the Act to promote the development of manpower training.

We also contributed to developing the General Framework for Skills Development and Recognition, which is a much more appropriate approach for small business leaders, as it takes into account their reality. We want more mechanisms and flexibility, because there is a lot of informal training going on.

As I said earlier, a small business owner manages 5 to 10 employees. It was complicated to ask him if in fact the very informal training it provided Joe this week complied with the criteria of Bill 90 and whether he could consider this a training expenditure. What we are saying is that the accounting approach is not the right one.

Training has to be concentrated in certain regions. It is difficult for an isolated company in a given region to work toward implementing a training pool and motivate employers to participate in it. Right now, we have a training program that results from the framework for skills development with sectoral committees. We establish occupational standards. We have to get companies to bring their employees skills up to par. That is far more promising and fruitful.

It was in that sense that we were against the legislation as it stood. We were working toward an amendment to the Act to foster the development of manpower training, that is unanimously supported by employers, unions and community groups who sit on the Labour Force Partners' Commission. This is a step forward.

I want to be very clear: we are not against the development of labour force training.

Ms. Denise Savoie: Thank you for that clarification.

[English]

The Chair: We're over time here. We'll have to catch you in the next round.

Mr. Brown, for seven minutes, please.

• (1120)

[Translation]

Mr. Patrick Brown (Barrie, CPC): Thank you, Mr. Chairman.

My question is for Mr. André Lavoie. I am pleased to see the Canadian Federation of Independent Business here. Before I was elected, I was a member of your organization. I am a lawyer and I own a small business.

Your organization has always polled its members to find out their opinion. In your presentation, you stated that you had asked your members what government could do to alleviate labour force shortages. Sixty per cent of them put reducing the tax burden in second place. Why? Were they referring to taxes, income tax, employability? That is my first question.

My second question is: how could the government reduce taxes for independent businesses?

[English]

Mr. André Lavoie: I'm glad to see that you were a proud member of CFIB.

Indeed, lowering the tax burden is always one of the highest priorities of our members, and I would say there are numerous ways of doing it. Whether it's on payroll taxes or on tax credits or on EI, there are numerous ways of putting some money back in the pockets of small business owners. In the last budget there was some very good news from a tax point of view, such as the \$400,000 threshold for small businesses.

In a way, what we're saying is that you need to be able to give a bit of a break to the small business owners from a tax point of view in order to help them reinvest this money into their businesses. This is contrary to big businesses—and I don't want to attack big businesses—but of course big businesses answer to shareholders. Normally big businesses can be there to make profits, obviously, and of course they want to put dividends in the pockets of their shareholders.

It's very different in the independent business. If you give a tax break to a small business owner, what is he going to do with it? He's not necessarily going to put it in his pocket. He's going to put it back in his business. He's going to create more jobs. He's going to create more opportunities for training. He's going to create more opportunities for investing in technology in order to improve his business performance. This is basically what we're talking about.

As for your second question, I guess it was on a different way of cutting taxes. As I said, in the last budget there was some very good news and we were encouraged. I'm going to give you an example. The *taxe sur la capitale*, the capital tax, is against logic. You tax the profit before the business has even made one cent. It doesn't make sense. Everybody says it's against logic. I think the governments have to attack that sort of bad taxing that basically is counter-productive to businesses.

Mr. Alfonso Argento: If I may add to this two points of view, one is that the fiscal system in Canada ultimately needs to be reviewed completely. It's a fiscal system that penalizes people rather than motivates them. If you take on the two fronts, as André said, as an

employer, if you have a break in taxes, you will reinvest more in your enterprise. As an employee, especially in construction, if you've done your 40 hours and you've made your \$1,000 a week, or whatever, and your employer asks you to work a few more extra hours, the employee is probably willing to do it, but then he says, "If I work three, four, five, or ten more extra hours this week, I'm going to pay twice the amount of taxes, so I'm going to stay home. It's too cold outside to work for \$3 an hour."

The fiscal system is very out of date. It must be updated to the 2000s, when people must be encouraged to work rather than feel the taxation system is a penalty. This is an issue I wanted to bring to your attention.

• (1125)

Mr. Patrick Brown: I appreciate the way you've put that about the motivation to work, because when I initially saw this lowering of the tax burden as a way to help the labour shortage, to play devil's advocate, one would assume that if you raise taxes and businesses go under, all of a sudden there's more trained labour that's available, and, heaven forbid, that's not what you want. But commercially, if you reduce taxes, you stimulate jobs; you create more of a need in the workforce.

Is there any concern that by reducing taxes you're actually going to create more of a demand on the need for trained labour?

Mr. André Lavoie: Absolutely not. I think you're going to create quite the opposite effect. You're going to give a bit of a break to the business owners to be able to reinvest that money into what counts—creating jobs.

Mr. Patrick Brown: Training?

Mr. André Lavoie: Training is part of it too, and that's what I've always said.

If you want to encourage business owners to train more people, don't create bureaucracy; create the conditions or the structures, the simple structures, that will help them to take advantage of those structures.

I'm going to give you an example. The new hires program at the federal level was a great idea. Basically, people were given credits for creating new jobs or hiring new people to join the labour market.

I think you need to encourage small business owners. It may be fiscal deductions and so on and so forth, but they need to see a change in their pocket in order to be able to reinvest that money and be more productive.

Mr. Alfonso Argento: Basically, we need to make it worthwhile for the employer to hire apprentices more and more. I think, as I said, the initiative in the last federal budget was to give grants to the employee and also to the owner who employs these apprentices, but it's restricted to some Red Seal program employees. We say let's open it to all apprenticeships. Let's go get our workforce. Let's get the young to join the industry.

The Chair: We can have maybe one more, but it has to be very short.

Mr. André Lavoie: One more thing is if you're going to make any kind of tax credits available for small business, make sure they are taken advantage of by the small businesses and not necessarily the big businesses, because if you add so many conditions and restrictions, at the end of the day they get discouraged from applying and you lose the whole effect.

The Chair: Mr. Gariépy, before I move to the second round, I know that no one has asked you any questions on credentials. I know it's a huge issue. It's been brought up everywhere we have been. Maybe in the second round we'll have some of those questions.

I just wanted to clarify. I appreciate the fact that we talk about duplication, and I think that as members of Parliament we certainly see it on a constant basis. Trying to figure that out and reduce it is one of the challenges of government.

Talk to us a bit about Quebec's foreign credentials. What we heard in other provinces was that people are coming in based on their scores and their recommendations, and then they are left out because they don't qualify. These foreign equivalency exams are difficult and very challenging. We realize certainly that it varies by province, but just talk to us a bit about the success of Quebec. I take it from what you've been saying that your experience with what's been happening indicates that Quebec has been leading the way. Maybe there's something we could learn as we look at setting that up federally. From your experience, could you touch on some of the challenges?

Mr. André Gariépy: Some of the challenges deal with the fact that when you immigrate, you generate a gap because you were trained by your educational institution back in your country of origin, and these institutions train for their country.

There are differences, cultural differences, in the way things are organized. The health services are different. The protocol and the technology used in some countries are different. The way to interact with the client is different. When you're in the health system, the way to interact with pain is a cultural aspect, and the training you receive sometimes is not the training adapted to the reality in Quebec, in Canada, in North America.

There are some gaps, and people are not looking for gaps; they are looking for things that can be recognized. If it's knowledge, everybody is trained with knowledge in a reasonably equivalent way—when you deal with science, it is science. But whenever you deal with some aspect of the way to apply science, the way to interact with the client or with other professionals, the ethics, the way things are organized, then.... And also there's language. It's even important in Ontario because you're facing a situation in which people come and they don't know enough English to be able to practise. Communication in professional relations with a client is at the basis of knowing the needs, then expressing what's being offered as services, then having the consent, and then acting upon it. If you cannot even understand the question in an exam, how can you prove that you have the qualifications and then after that practise? All these things come into play for one person.

The gap is made of two shores. It's like a river. We're responsible for part of it because we've been here for a few hundred years, establishing things—standards, ways to intervene, ways to prac-

tice—based on the level of technology we can pay for. Sometimes we don't have the money, but we think we have the money for it so we have a good health system. But for somebody coming from abroad, depending on the country, there will be gaps.

Coming from Ontario, it's a minor gap. Coming from the U.S., then, whoops, it's a larger gap. And when you come from some countries in Africa.... But even in Africa, when you're coming from a Commonwealth country, you can relate to the education system because they kept the British education system in a way. Even in the former French colonies, they kept part of the French education system. If you can relate to the French education system, you can adapt.

So each time it's a challenge, and depending on the immigration wave you receive—from Southeast Asia, from the Eastern bloc countries, or northern Africa—new challenges are coming. And the challenges are getting the information for the immigrant and about the immigrant and the country of origin to make the necessary equivalencies.

Then you need to have efficient tools. Efficient means affordable but also reliable, because we're issuing a permit to act on things that carry risk of harm many times. People are saying, in their institutions in Quebec and in other jurisdictions, when you're issuing a permit, we have confidence in the permit you're issuing, so make sure we face someone who will manage the risk in a reasonable way.

This kind of information, these kinds of tools.... When calling for qualifications recognition, a lot of people are saying, look at the person instead of the papers. Yes, fine, but how? It has to be reliable. A lot of people who are saying we should look at the person and have the necessary tools to evaluate their work experience don't have a clue about the tools available. We did a survey of the tools. There are not so many, and this is why the Quebec government put aside some money to develop tools that are efficient.

• (1130)

It should not be a two-year process to get recognized, but a shorter time with some gap training that is available.

You're not consistent with your officials, say, and the government. You say we will open the doors to immigrants, but at the same time your education system is not on board to provide the gap training. Then the immigrant says you told him he needs that training, and he recognizes that; he knows that in his country he wasn't trained for it, but where does he get the training? Your education system is saying he doesn't have this, so he has to redo all of it. No, that's unreasonable.

This is why, in the November 2005 report of the task force that I was appointed to by the Quebec government, there are all these little things. Forget the big speeches, the big emotions about immigration or whatever; we are way beyond that. We are looking at the tiny problems that make the process a real pain for everybody.

● (1135)

The Chair: Thank you very much.

Mr. Lavoie is next.

Mr. André Lavoie: If I may add to that, I think it's so very important that all the ministries in the government—whether it's employment, immigration, education, or others—be working together when an immigrant applies abroad. Okay, Quebec selects its own immigrants, and we know that, but when we select our immigrants, we have to be able to make sure that we don't bring PhDs here if what we need are technical professions or whatever. We need to be able to point out exactly what we need for the market.

Once we're there, we have to be sure, in the Canadian embassies or Quebec offices or other government offices abroad, that we point that out to the immigrants who want to migrate to Canada. It's so very important that we do that link ahead of time, rather than having these people coming here. We know very well the cost of migrating and we know very well the cost of a mis-immigration for a society afterwards, because basically the state is going to take charge of these people at one point, and this is the point at which it becomes very costly, whether it's health or something else.

The Chair: Thank you very much.

We move to our second round.

Mr. D'Amours is next, for five minutes.

[Translation]

Mr. Jean-Claude D'Amours: Thank you, Mr. Chairman.

I would now like to turn to Mr. Gariépy and address the issue of professionals, be it in Quebec or in other regions. In your opinion, what are the challenges or rather what are the obstacles that have to be overcome to convince professionals to head to the regions?

The topic is a labour shortage, but we could also talk about a shortage of professionals in many regions, if not all the regions of this large and beautiful country. When we examine the situation in Quebec, we see there is no difference. I live very close to the Quebec border. So we listen to francophone media from Quebec. I have an opportunity to see what is going on in the Lower St. Lawrence, in the Gaspé, in Montreal or Quebec City.

What makes it so difficult to convince professionals to work in the regions? It is certainly not just the attraction of a large city, because being stuck in traffic for an hour and a half, morning and night, is certainly not attractive. So there must be something that we have not fully understood and that perhaps you could explain.

Mr. André Gariépy: My father immigrated, in a way. He left the Quebec City area to settle in Montreal many years ago. So in my family, I am the first generation born in Montreal. You are broaching something quite nebulous, because we have to understand we are dealing with human beings here.

Every human being has an esthetic ideal in life. That esthetic ideal is created according to what he sees and hears. Television, most notably, shows esthetic ideals in soap operas, comedies and so forth. Everything is very urban and people have a taste to live an urban lifestyle. Being stuck in traffic for some people is perfectly fine because above all else, they are behind the wheel of a car and they love to drive.

For some, the esthetic ideal is to live near the river, in the lower St. Lawrence Valley. That was my esthetic ideal some time ago. A few years before I was hired by the council, I had sent my resume to apply for a position that was quite interesting in Rimouski. My wife and I thought that this would be a good place to raise children. As you can see, these are personal choices.

Mr. Lessard was talking about older people who have a sense of belonging to a group, their family. They are not going to go into exile the way people did in the days of the James Bay project or Manicouagan, or like lumberjacks did when they left for three months to go work in the woods and then came back. Unless we are living in a Ceausescu-type regime and that we force people to move, every individual has the freedom to make choices in life, and the result of these choices create sociological, geographical and therefore economic dynamics.

I do not have much to say about how you achieve this. There is often a coercive approach, regarding doctors among others. Young doctors are being told that if they want to live the good life in Montreal some day with their Mercedes, first they have to go drive a more modest American car in a region and come back a few years later. This approach causes an outcry, and forcing people in this way is risky, if you think about the Quebec and Canadian Charter of Rights and Freedoms. One can give them an incentive by offering a great deal of money but here again, it does not work. That is the human dynamic.

● (1140)

Mr. Jean-Claude D'Amours: I understand your point, but let me give you an example that contradicts what you said. Let us take, for instance, the employees of the federal government. For any given position, the salary is the same in every region. I have worked for the Business Development Bank of Canada, before I became an MP. I would have been paid the same wages in Edmundston, New Brunswick as in Vancouver or Toronto. But I had a much better standard of living where I was. My salary was the same as my colleagues, but the cost of living was much lower, and I did not have to face the heavy traffic every morning.

Once all these elements have been considered there is something that... A professional is a professional: a radiologist is a radiologist, an engineer is an engineer. Sometimes, there might be differences in salary, but I always have the same question, and I put it to those students who think that they would rather work in the region where there are currently studying. What is the cost of living? Did you look into it? Did you stop to reflect on the relation between the salary and the cost of living? Basically is it worth it? Perhaps you are negative? This may just be your way of seeing things. The big salary may seem attractive, but if the cost of living is three or four times higher than somewhere else, is it worth it?

Let us compare what is happening now at Fort McMurry to what is happening in my region, Madawaska-Restigouche. A house that would cost \$80,000 to \$100,000 in my region costs \$350,000 in Fort McMurry. Twenty-five dollars an hour seems attractive, but what is left after taxes? As we heard, taxes are going up. Once we have paid everything how much do you have left?

Mr. André Lavoie: This reminds me of the film the Great Seduction. I do not know whether you have seen it, but this is just the kind of situation it describes.

We must also mention what is going on in certain areas with resources. The crisis in forestry in Quebec has given rise to a new phenomenon. There are regions with resources where, quite often, over the years, big companies were relied upon to develop resources in the area, and this is how cities were built.

There are real tragedies unfolding at this time, in some of these regions. Just yesterday, Norsk Hydro announced that it was closing its Bécancour plant. This is given rise to some tragic situations. Of course, my colleague was right in saying that all the noise made by the media is not helping at all to make these regions more attractive.

However, there are other, more encouraging examples: the region of Drummondville, Trois-Rivières, Gaspé, are entering into a new phase with the development of wind farms. New projects can be created in such regions.

There is also the issue of the next generation of SME entrepreneurs. Our SMEs will enter into a new phase within the coming ten or fifteen years. Our SME entrepreneur population is also aging. This gives the younger generation a chance to take over the management of those regional companies. I think that if we build our projects around an economy that is more geared to smaller enterprises, we can enable the regions to stand on their own feet, this seems obvious. I think that we should be looking at the positive examples that are out there in order to promote them, rather than give all our attention to big companies that are shutting down.

• (1145)

[English]

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

We're going to move to Madam Bonsant, for five minutes.

[Translation]

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Lavoie, I agree with you about double billing, both federal and provincial. This is why the sovereigntist movement arose in 1970. This is really a dual administration and dual payment. I agree with you, because this is so in many cases.

I was a bit shocked to hear you say just now that SMEs are not at all favourable to parental leave. The business world is complaining about the low birth rate. The way to increase the birth rate would be to offer parental leave and one-year maternity leave, so that the young generation can return to family values. We also need child care centres, because I think that young parents are not ready to leave their baby with a grandmother or an aunt or with anyone they can find out there.

Mr. Argento, I was also rather shocked to hear what you had to say about the mobility of construction workers. If you take someone

with a seasonal job on a farm where potatoes or some other crop is being grown and you make a construction worker out of that person, what will happen to the farmer who was employing him? His company might well be an SME. How will he cope with losing his manpower? You are just taking from Peter and giving to Paul.

I think that with the current scarcity of manpower and the large number of school dropouts, we should perhaps incite schools, chambers of commerce and companies to seek out the 15 and 16 year-olds to show them the real meaning of work and education. There is a great potential for recruiting manpower among young people who dropped off school because they do not know what they want and because they have no guidance. With a bit of patience, you could explain to the older workers who are afraid of losing their jobs that they could train the new generation, in this way we could probably solve the problem of school dropouts and scarcity of manpower. But we must not tell them that they have to hand their jobs over; we should rather tell them that they have experience to transmit. In this way, we would avoid emptying the country side and creating urban congestion. Actually, people are leaving the rural regions. The general store is emptying its shelves, Rona is closing down and then the younger generation leaves and we wonder why schools are being closed and the young are not returning to the region.

I would like to hear what you have to say about all this, because I feel very strongly about this issue.

Mr. André Lavoie: Yes, because I believe that this deserves clarification.

We can all agree that the Canadian Federation of Independent Business is not against the principle of parental insurance. However, the National Assembly voted unanimously on a bill that sets out the foundations of a system that means we are buying a Cadillac when in fact we can only afford a Volkswagen. And the legislators decided to negotiate the terms of purchase of this Cadillac. That is the kind of parental insurance system that we have established. Later on, there were negotiations with the federal government, but the Quebec government did not obtain the money that it had counted on. It therefore passed the bill onto employers, when we had achieved some savings on complementary pension plans and we had saved money at the CSST regarding preventive leave. When you pass the bill onto employers and salaried workers, I personally find that indecent. It is precisely that aspect of parental insurance that we are opposed to, because we were members of the Conseil de gestion de l'assurance parentale. The CFIB at least deserves credit for one thing: when a piece of legislation is passed, we fall in step and try to adapt and even promote the legislation. But at some point, there is something indecent about passing the bill on to the smallest and weakest, when large corporations and government benefit because they have complimentary systems. But I will not get into that debate.

With regard to child care, I can tell you that within the CFIB, we have over 200 members that are private day care centres. So I am sure you could appreciate that we are certainly not against the child care system that exist in Quebec. However, we have questions right now about the universality of this system and our capacity to maintain it as it exists. When you have a \$7 a day universal system, that is all very nice, except that if a CPE is subsidized by the state to the tune of 100 per cent and a private day care centre has to make up for a significant financial gap in order to offer its services; things just cannot work this way. Indeed, a private child care centre has to charge the same price, but it does not have the same income as a CPE.

• (1150)

Ms. France Bonsant: Well, again, this is a matter of transfers that are not working, but that is political.

Mr. André Lavoie: Look, I do not want to get into the issue of transfers, I do not want to get into politics here this morning. However, there is a reality for the heads of SMEs, and I think it is important to put things in perspective in that regard

We cannot oppose the principle, but in the final analysis, we represent members who end up footing the bill. There is another aspect. This will be the last one in fact, because I am going to stop here. It is all very nice to promote social programs, except that you have to understand the reality experienced by the head of an SME. If I have a company with five employees, Ms. Bonsant, and I lose one, 20 per cent of my workforce just left.

Generous programs are all very well, and we have very progressive legislation in Quebec in terms of labour standards and the Labour Code. These are the most progressive laws in Canada, and we have to be aware of that. The Quebec Charter of Rights and Freedoms is all very nice and it is a good thing to give rights to workers and salaried people. I am not opposed at all to giving rights to labour. On the contrary, that is fantastic, but perhaps we should also be listening to the concerns of employers. It is a headache right now for employers to keep their labour force. So obviously, if I grant parental leave and the employee does not even have the obligation to advise the employer that he will be leaving in the coming days, and on Friday morning informs me that he will not be coming in the following Monday because he is taking paternity leave, there is some imbalance here somewhere.

Perhaps it is in the way all these systems are applied that we should give some respite to some employers at some point.

[*English*]

The Chair: That's all the time we have.

I'll let Mr. Argento make a quick comment before we move on.

[*Translation*]

Mr. Alfonso Argento: With regard to manpower mobility, Ms. Bonsant, we are saying in the first place, that a farm worker who is used to growing potatoes or cherries, cannot become a construction worker. This is impossible, specially in Quebec where everything is legislated wall to wall, as the gentleman explained.

We would rather have geographic mobility. If I am a carpenter in Montreal, I could work in Ottawa and be recognized.

Let me give you an example, because a picture is worth a thousand words, as they say. Maybe seven or eight years ago, we were building the Portage Bridge between Ottawa and Hull—that was the name of the city at the time. There are certainly people here who are familiar with the bridge. Now, this bridge is under two territorial jurisdictions. One part is in Quebec and the other in Ottawa. So they had to count how many carpenters were working on either side of the bridge. It was ridiculous. They were inspectors on both sides. This is the kind of problem that arises with mobility. There is no question of recruiting workers specialized in agriculture to turn them into construction workers or vice versa. This is not done, but something very different is going on.

In fact, we have problems between provinces. It is often easier to work in the United States than in a neighbouring Canadian province. This is ridiculous. These are the points that we are trying to make.

[*English*]

The Chair: Thank you very much, Mr. Argento and Madame Bonsant.

We're going to move to Madame Savoie for five minutes.

[*Translation*]

Ms. Denise Savoie: Thank you.

I would like to come back to the issue of temporary workers. You also spoke of farm labour. I wonder what you mean by reviewing the standards, because we heard a great deal about the way temporary workers are being abused. I wonder how we can help these workers. We could first offer them some protection, and then we can make sure that we are not heading the wrong way. There is also some protection for Canadian workers.

How do we balance all these elements?

[*English*]

Mr. Jeff Morrison: In fact we heard of some of the allegations concerning workers, especially in your area on the RAV line in Vancouver. I will say we are concerned about that particular incident. Of course, we don't take those allegations lightly, and they are not acceptable. However, in the case of Vancouver, we asked our B.C. counterparts, and provincial officials have asked for proof of these allegations. We've yet to receive anything, so it's difficult to comment on that particular incident.

However, I will say that HRSD and Citizenship and Immigration do have a responsibility to ensure that temporary foreign workers are being treated fairly and that they are receiving competitive wages. We would encourage officials from CIC and HRSD to ensure those responsibilities are met.

I know there's an underlying statement that in particular some of the unions make when referring to temporary workers, which is that this is just a way for construction industry employers to bring in cheap foreign labour. I want to say that is absolutely not the case. In fact it doesn't make sense. It's very expensive for a company to go out and find temporary foreign workers. There are relocation, travel, recruitment, and retraining costs, none of which you have with the Canadian worker.

In short, should we be accepting any of these sorts of unfair treatment? Absolutely not. It is an absolute responsibility of the federal government to ensure that this not happening. However, those potential problems should not be dissuading us from ensuring that temporary foreign workers are a source of future labour supply.

• (1155)

Ms. Denise Savoie: I accept the statement you've made.

Would you then agree that the workers who are brought in, assuming they're filling a real gap, should be paid a wage similar to Canadian workers for the corresponding job?

Mr. Alfonso Argento: Of course, there is no reason why they shouldn't. They come here to help us, and there is no reason for us to take advantage of them. What we're saying is, yes, we should use them, but also respect them.

Mr. Jeff Morrison: If I may add, it's also important to remember that it's a condition upon bringing in these foreign workers that in fact employers demonstrate they've exhausted all possible avenues to hire a Canadian first. No one has ever suggested that this requirement be eliminated. We think employers should absolutely be required to hire a Canadian first and only bring in temporary foreign workers if no one else is available.

Ms. Denise Savoie: Thank you very much.

The Chair: We're out of time.

What's that?

Ms. Denise Savoie: I'll give it to you.

The Chair: I'll take your minute, thank you.

I know we're over time, and we appreciate your coming, but I want some clarification on the payroll tax regarding training.

Mr. Lavoie, you touched on it a few times. You referred to Bill C-90. I just want some clarification. We heard it mentioned in other parts of our discussions. Is it something that employees, employers, etc., all agree on? You also commented about some of the legislation, and I wanted to make sure that was the case.

Secondly, are there other challenges with that? Obviously we also talked about formal versus informal training. I wanted to know what qualified for that 1%.

I'm asking for all of that in one minute.

Mr. André Lavoie: I'll try to restrict myself to a minute.

As far as the formal and informal, this is part of our problem in that we're restricted to the training act. As I said, it was conceived on the accounting logic. Basically what they're asking the employers to do is to figure how much training they have done in their businesses over a year and report that they have done at least 1% of their payroll. If they can't prove they have done this through the mechanism attached to the act, then they have to take 1% of their payroll and send it to the Ministry of Revenue.

We're trying to get away from that logic for the smaller businesses with \$1 million and less in payroll and implement some system that will allow the employers to bring their manpower up-to-date as far as their skills are concerned, and recognize those skills within the labour market, without having to go through the education system. That we agree on; there's a consensus among unions and employers in Quebec.

I would say that the devil is in the details. All will depend on the way it is implemented. Of course, we might have some disagreement on the way it's implemented, but our main concern, as far as CFIB is concerned, is to keep it simple and make sure we don't overregulate, because then we're going to kill the whole idea of the principle. This is unfortunately what happens in a lot of legislation, as far as principles are concerned.

• (1200)

The Chair: Once again, gentlemen, I want to thank you very much for being here for these very important issues and providing some additional insight to us. As we cross the country, we are finding some similarities, but once again, there are also some unique ideas from region to region that are helpful as well. Thank you very much for being here today.

The meeting is adjourned.

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