



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Finance

FINA • NUMBER 042 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Thursday, October 6, 2016

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Chair

The Honourable Wayne Easter

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• (0905)

[English]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): I call the meeting to order.

This is the Standing Committee on Finance, and we're doing pre-budget consultations in advance of the 2017 budget. For those witnesses who are here, we sent out a number of questions related to economic growth. You could try to touch on some of those points as well.

We like to try to hold the presentations to about five minutes so we can get into some questions from members.

Before we start, what we typically do when we're on the road is to ask members to introduce themselves so that you know who you're dealing with, what part of the country they come from, and what party they're with.

I'm Wayne Easter, chair of the committee. I'm a Liberal member of Parliament from Malpeque, Prince Edward Island.

Mr. Raj Grewal (Brampton East, Lib.): My name is Raj Grewal. I'm the member of Parliament for Brampton East.

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): I'm Jennifer O'Connell. I'm the member for Pickering—Uxbridge, just outside of Toronto, in Ontario.

Mr. Steven MacKinnon (Gatineau, Lib.): I'm Steve MacKinnon, Liberal member of Parliament for Gatineau, Quebec, just across the river from Ottawa.

Mr. Ron Liepert (Calgary Signal Hill, CPC): I'm Ron Liepert. I'm the Conservative member for Calgary Signal Hill, and I found out five minutes ago that I'm Janet's member of Parliament.

The Chair: You can tell us all your complaints if you like, Janet.

Mr. Ron Liepert: There are none.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): I'm Ziad Aboultaif. I'm the Conservative member of Parliament for Edmonton Manning. It's on the northeast side of Edmonton.

Ms. Niki Ashton (Churchill—Keewatinook Aski, NDP): I'm Niki Ashton. I'm the member of Parliament for Churchill—Keewatinook Aski, and I join you in welcoming the rest of the committee to our province.

The Chair: Thank you all.

We will start with presentations. Again, thank you for coming. We'll start with Ms. Rosales—and I don't know whether I

pronounced that right or not—from Supporting Employment & Economic Development Winnipeg Inc.

Go ahead. The floor is yours.

Ms. Carinna Rosales (Co-Director, Supporting Employment & Economic Development (SEED) Winnipeg Inc.): Good morning, everyone. Thank you for the opportunity to present today.

Supporting Employment and Economic Development Winnipeg, or SEED Winnipeg, is a not-for-profit charitable community economic development organization that offers business development training and services to support business creation and expansion. We support co-ops and social enterprises as types of business models.

SEED also offers a microloan program as well as financial literacy support and training to skilled immigrants for qualification recognition. As well as financial literacy programs and matched savings, we offer intensive supports for accessing benefits and tax credit programs.

Vulnerable groups such as the unemployed, underemployed, indigenous peoples, those with disabilities, newcomers, and seniors are often the most marginalized and are systemically prevented from contributing to the local economy because of poverty. Prior to being able to meaningfully contribute to this economy, these groups need equitable access to wraparound supports that contribute to stability, overall well-being, and physical and mental health. No person can envision their life moving forward through employment or self-employment if they don't have a safe home each night.

SEED Winnipeg recommends the creation of a 10-year national housing plan. No person should be faced with choosing between basic needs such as food, clothing, or shelter costs. Our recommendation is a commitment to reducing poverty rates to ensure that every person in Canada has an income that reaches at least 75% of the poverty line within two years. Co-create among governments and the community sector a detailed national action plan that includes regional representation and analysis.

To address the problems of skilled immigrants facing barriers to having their qualifications recognized in Canada, SEED Winnipeg operates Recognition Counts, a microloan program for skilled immigrants. It also provides financial literacy coaching and counselling. We have undoubted numbers that demonstrate its success, and the government's rate of return on investment clearly exceeds the cost of the program. The average annual household income improvement for participants who have been through this program is over \$40,000.

We recommend that the federal government reinvest in qualification recognition programs, publish the national pilot program evaluation, and work with pilot site delivery organizations to improve programs based on that learning. Dedicate approximately an additional \$2 million per pilot site, pro-rated to populations served across Canada, to be used for both the loan fund and operations. Fund the development of a national community of practice.

Immigrants who have arrived in Canada as refugees often have no financial assets and face significant challenges with economic integration. We recommend—and it is our hope—that you will be attentive to the many voices from the settlement sector who have been calling for an end to the burden of transportation loans for all refugees.

The mandate letter for the Minister of National Revenue provides direction to ensure that the CRA is a client-focused agency that will enhance access to entitlements. SEED and our partner organizations launched a pilot in 2013 supporting financially vulnerable families to access over \$10 million in government entitlements and benefits. The demand to access these benefits and supports is overwhelming, and far exceeds our capacity. This is particularly an issue for Manitoba's indigenous communities, who also face barriers to accessing necessary forms of identification.

We recommend that the federal government invest in supports to ensure that financially vulnerable community members have access to government entitlements and benefits and that the government reinstate in-person CRA services so that community members have more individualized supports, not just reliance on a phone number.

We recommend the expansion of the CVITP to operate throughout the year, not just during tax season. Expand that program to include assistance with determining eligible benefits and assistance. Fund programs, including full-time staff in local agencies who have significant levels of knowledge and expertise regarding taxes and benefits and programs and entitlements. Provide additional support and funding to agencies hosting these clinics.

● (0910)

We request and recommend that the government provide knowledgeable and accessible tax resources for tax preparation to benefit the volunteers and have them available on a year-round basis.

Supporting community economies and resiliency is imperative. We recommend the federal government develop neighbourhood revitalization programs, with multi-year core and project-based funding to enable comprehensive community-led approaches.

Current legislation on federal small and medium-sized enterprise support programs currently allows non-profits and hybrid business models to access them, but the access is typically limited in this sector due to current practices, lack of awareness and understanding of the hybrid business models, and differing mandates.

We recommend the expansion of the capacity to access existing SME services through the Canada Business Network and other federal business development programs to enhance business supports and readiness for investment by social enterprises, co-operatives, and non-profits, and investment in community-based projects that inspire social entrepreneurship.

We further recommend that the federal government implement community benefit agreements in federal development projects and the implementation of social value weighting in all federal RFPs and contracts, and the development, coordination, and robust funding of a national CED policy framework and lens modelled on the one currently used in Manitoba and the best practices of other regional models.

We recommend the co-creation of policy and the development of funds with social finance and social enterprise developers, together, to assist the social economy sector in addressing socio-economic issues.

We recommend the creation of affordable financing packages available to communities and project developers, including but not limited to federal loan guarantees.

Finally, we recommend the provision of training dollars for social enterprises at all stages in the development process, recognizing that they're likely having financial limitations, but that their contribution comes in kind from the wraparound supports and environment that is provided to those facing barriers to employment.

Thank you.

The Chair: Thank you very much, Ms. Rosales.

We'll turn next to the Canada West Foundation and Ms. Lane.

I might say to witnesses as well that you will see members using their iPads from time to time. All the briefs and documents for the committee are on the iPad, so they're not playing games. They're trying to find some information.

Go ahead, Janet. The floor is yours.

Ms. Janet Lane (Director, Centre for Human Capital Policy, Canada West Foundation): Thank you, and thank you to the members of the committee for inviting me to present today.

I'm the director of the Centre for Human Capital Policy at the Canada West Foundation, based in Calgary. The Canada West Foundation is a non-partisan think tank.

Given the time constraints, this submission is aimed primarily at question number two, although my comments will be relevant to the other two as well.

Safety, quality, productivity, and cost, and whether an employer wants to expand, to innovate, or just to meet its current goals—all of these depend upon the quality of its workforce, and that quality depends on how competent workers are to do their jobs. We've been engaged in a fascinating case study involving a firm, its union, and their focus on competencies as distinct from credentials. The results are striking, as you will hear.

On the whole, employers in Canada have accepted credentials to be a proxy for competence. They shouldn't. We've all heard stories about highly qualified people who are incompetent at what they do. While we would never say that credentials do not mean anything, we can say that they do not guarantee competence. Knowing something is not the same as understanding it. Knowing theoretically how something should be done does not mean you can do it. Knowing how to do something under normal conditions does not mean that you can do it when things have changed, and things change all the time.

Knowing, doing, and being able to adapt how you do a task according to the circumstances: that is competence. Competence can be built and it can be assessed, and Canada's workplaces would be safer, produce more quality products and services, and be more productive if we switched to educating, training, assessing, and deploying people on the basis of competencies.

What do I mean by competencies? Think of Lego. Standardized, modular, stackable competencies are the knowledge, skills, and attributes required to perform the tasks of each job. They become the building blocks of a career. Competency profiles show workers which competencies they need to perform their current job, or do it better. A competency framework is the pathway between jobs and occupations.

This isn't just theory. I am working with a steel fabricator in Edmonton and the ironworkers union that represents its workforce. Just over four years ago, one of the workers was almost killed on the job, and the firm decided that it would never happen again. Since then, it has moved toward assessing and training for competencies in its workforce. When someone is assessed by the foreman to be not competent to do a particular task, he or she is not assigned to be responsible for it. An assessment of "needs training" in a particular competency is a signal that the company and the union will invest in training. Formal training is offered, or a coach or mentor is assigned to help the workers increase their competence.

The results speak volumes. They are working more safely. The company now has had four million hours of loss-free time on its job sites. It had never exceeded half a million hours before. It is also hiring throughout the downturn in Alberta, and has just had its second-best year ever, while in a recession. It did this with the full co-operation of the union.

This company's experience does not have to be a one-off. Canada is well behind other countries in moving to competencies. We can and should move more quickly to encourage more businesses to hire, train, assess, and deploy their workforces on the basis of competencies. It is the norm in many countries. We need it to become the norm here if we are to be more competitive in the global economy.

While education is a provincial responsibility, the federal government invests hundreds of millions of dollars per year in workplace training through the Canada job grant and other labour market development funds. Reporting for these programs is more about outputs than outcomes. Certificates earned are assumed to be proxies for what has been learned.

This government should require that these federally funded training programs report on the competencies actually gained by participants in the programs, not the number of certificates earned. Employers benefiting from these programs could be encouraged to recruit on the basis of competencies, rather than assuming that people who have earned a certificate are actually competent to do the job for which they are hiring.

If the federal government does this, individuals, businesses, and communities will meet their goals and better contribute to the economic success of the country.

● (0915)

Thank you.

The Chair: Thank you very much, Ms. Lane.

Next we have the Association of Manitoba Municipalities. Mr. Groening and Mr. Krawetz, go ahead.

● (0920)

Mr. Ralph Groening (Vice President, Association of Manitoba Municipalities): Good morning. My name is Ralph Groening. I'm the vice-president of the Association of Manitoba Municipalities. We are the one organization that represents all third levels of government in the province of Manitoba, including the City of Winnipeg.

We're pleased to be here to present a few policy items that are of importance to us. You have the information, so I will move ahead with my comments.

The AMM made a federal budget submission in February of this year that outlined five priority items: infrastructure funding, and I'll comment on that further; community policing, which has become a major part of municipal expense; housing; disaster financial assistance, which I will also add a few comments to; and wireless communications and broadband Internet connectivity. While all of these items are of extreme importance to Manitobans and Manitoba municipalities, in the interest of time I am going to only touch on two of them.

One item is the federal disaster financial assistance funding.

Extreme weather events suggest that we can expect that disaster events will cost Canadians \$5 billion by 2020. Manitoba is the second-largest recipient of disaster financial assistance. We are not proud of that particular title, but a strong federal program over the years has helped municipalities recover from some of these disasters. The flood of 1997 is one that I think quickly comes to mind and that we're all too familiar with.

Unfortunately, federal changes came into effect in February 2015 that resulted in the downloading of these responsibilities to the provincial governments. There was no consultation whatsoever, either with the province or with us. As a municipal organization, we were not consulted prior to any of these significant changes coming into effect, which have tripled the deductible and had a major impact on our communities.

The AMM is concerned that these downloads will make their way to the municipalities, and they already have. This new formula will impact our ability to recover from future disasters. We ask that these changes be reviewed and ultimately reversed to ensure that the safety of Manitobans, in the event of a national disaster or extreme weather event, is not compromised. We think it is also important to give consideration to a national disaster mitigation policy, and I think there's been some previous discussion about that.

The other item that I will provide some detail on is infrastructure funding.

The AMM is the only municipal association in Canada—the only association—that is working alongside federal and provincial partners to help select projects financed under the new Building Canada fund. I emphasize that we're the only municipality, the only organization, that is and has been able to do that.

We certainly appreciate the opportunity to work with federal and provincial governments. Working together is absolutely key to any successful infrastructure program, and with 80% of infrastructure funding in the budget of 2016 still to be allocated, there are many opportunities to build stronger partnerships. The Federation of Canadian Municipalities has called for full contributions from all three partners, and that includes 50% federal, a full one-third provincial contribution, and the remaining 17% or so from our organizations.

We believe it is important that federal investments benefit all Canadians, from city dwellers to those who live in rural, remote, and northern communities.

Finally, we hope that phase two of this infrastructure program will include predictable, flexible funding models that will allow local decision-makers, such as people on the ground and people who know best in many cases, to direct funds to the projects that are most needed.

I thank you for the opportunity to emphasize two of those points and the opportunity to speak on behalf of my organization.

The Chair: Thank you, Mr. Groening.

Next, from the Canadian Foodgrains Bank, we have Mr. Hagerman.

Mr. Paul Hagerman (Director, Public Policy, Canadian Foodgrains Bank): Thank you.

Let me take a minute to tell you about the Canadian Foodgrains Bank, in case you're not familiar with us. We're a partnership of 15 Canadian churches and church agencies that are working together to end global hunger.

Across Canada, that means hundreds of growing projects, raising money by growing crops, making pies, holding cattle auctions. From coast to coast, there are several thousand volunteers who care deeply about ending hunger, and they give their time and money to support the Foodgrains Bank. We use that money in about 40 countries around the world. We provide food assistance after disasters. We make sure that pregnant women have good nutrition, and we help small farmers to improve their productivity.

We are honoured to be one of the Government of Canada's key strategic partners in the delivery of Canada's aid. We've been receiving core funding for our program since the Foodgrains Bank started over 30 years ago. We also work to get Canadians thinking more about global hunger, and we carry out research and dialogue aimed at improving public policy.

As you reflect on world events over the last year, I'm sure you can think of many examples of those who want to slam the door on the rest of the world. Canada is an exception. We continue to look outward, knowing that such engagement is good for the world and good for Canada. Our ideas and our aid are contributing to global prosperity, reductions in poverty, more opportunities for women and men, and increased peace and well-being. Stability and prosperity in other countries is good for Canada and Canadian businesses, not least through increased opportunities for trade.

As other global leaders talk about closing down, Canada is demonstrating leadership through openness and global engagement. However, we are falling behind. Canada's current aid levels, as measured by percentage of gross national income, are only about half the average of our peers, the G7 countries and other mid-sized economies. To demonstrate global leadership, we must increase our budget for aid. If we want to make a meaningful contribution to the global development agenda, Canada should set a timetable to double our aid in 10 years or less. That would bring us up to the average of our peers, and then we should further commit to meeting the UN target of 0.7%.

We believe that an increase in Canada's development aid would be supported by Canadians across the country. A public opinion poll in 2015 found that 94% of Canadians agree that aid is important, and 62% agree that Canada should be one of the leading countries in providing international aid. Another poll from 2014 found that most Canadians believe Canada should contribute more aid to poorer countries than it currently does.

One of the questions that arises is where Canada should invest aid money. What could we focus on that would drive economic growth, provide opportunities for women and youth, and help people to deal with climate change and other environmental problems? Is there any area of work that could deliver all those benefits and build on Canada's strengths? In our view, the answer is yes: a focus on small-scale women farmers.

Agriculture is the biggest source of livelihoods in most developing countries. The typical farmer is female and has five acres of land or less. She is grappling with poor soils, unpredictable weather, bad roads to market. However, these problems have solutions. Through our own work at the Foodgrains Bank, we have enabled thousands of farmers like this to move out of poverty and into the marketplace, and lots of other Canadian efforts, through other organizations, have made significant contributions to improving agriculture livelihoods. There are lots of opportunities for scale-up in this area.

A recent study compared countries in Africa and looked at those countries that invested early in their own agriculture. They found that they reaped multiple benefits. Not only did agricultural productivity increase, but there were economic gains for the country as a whole. The GDP of those countries that invested early grew twice as fast over 10 years, compared to the GDP of countries that did not focus on agriculture. Those countries that invested in agriculture were also more effective at reducing poverty and malnutrition.

I want to thank the committee for joining us in Manitoba. This is the heart of the Canadian prairies. This is a place that understands the contribution of agriculture to a growing economy. An increase in aid and investments in food producers is something that aligns with Canadian values from coast to coast.

• (0925)

We at the Foodgrains Bank encourage the government to increase its investments in international assistance, with the focus on agriculture, women, and the most vulnerable. This would enable Canada to move from a laggard to a leader and enhance our reputation as a country capable of playing a vital and constructive role in the world.

Thank you.

The Chair: Thank you, Mr. Hagerman.

We will turn now to Mr. Hicks from the Council of Canadians with Disabilities. The floor is yours. Welcome.

Mr. James Hicks (National Coordinator, Council of Canadians with Disabilities): Hello, everybody.

The Council of Canadians with Disabilities is an organization of organizations. We have a number of national organizations that are a part of our makeup that include specific disability groups. Then we

have provincial organizations that are cross-disability and provide support at the provincial level, so we have a pretty good idea of what's going on across the country.

I'd like to bring your attention to a document that I'm going to refer to for most of the presentation. It's called *Disabling Poverty, Enabling Citizenship*, which was done through what's called a CURA grant. It was done by a combination of academics and organizations of persons with disabilities who were looking at what needs to happen. I'm going to stay mainly in the area of the first one, but I will touch a bit on the idea of helping businesses as well.

It's interesting that you identify a number of different groups of people who may need to have some support: unemployed, indigenous, people with disabilities, seniors. Actually, all of those groups include people with disabilities. Disability crosses everything. It's not one group by itself; it moves across every single group in the community. The numbers are quite high. As you'll see in this document, if you look at the number of people with disabilities who are living underneath the poverty level, it's astonishing.

One of the things that sometimes government gets wrong is it brings in programs and it doesn't look at what the outcome is going to be. I'm going to talk a bit about the disability tax credit, which is a credit for people with disabilities who can get the taxes that they've paid reduced based on their needs and what sort of support needs they have in living day to day.

The difficulty is that most people with disabilities don't earn enough money to benefit from the disability tax credit, but they're still responsible for those costs, so they're not getting anything out of that program. In fact, I would say that more than three-quarters of the people with disabilities in Canada don't really benefit from the disability tax credit, which is unfortunate.

The disability tax credit is a great idea to transfer money to people who need a bit of extra support because of something they can't control. However, if the disability tax credit were actually changed to a refundable credit, as opposed to tied to what taxes you pay, then it would provide the opportunity for every Canadian with a disability to cover off some of their costs around disability and move forward. There's information in this document about how that could happen, what the costs are, and those sorts of things.

When the government looks at employment—we've heard a lot about that—and the transfers to the provinces around employment, it should be looking at making sure there is adequate money for people not just to go to courses, which is what most of the labour market agreements do, but also for employers. A lot of the smaller businesses often cannot afford some of the accommodations that people might need, so again it's an ongoing struggle.

If you're an employer, you may want to provide an opportunity for someone with a disability, but they may need to have a screen reader, which unfortunately goes out of use very quickly, and you would have to buy a new one. Then that's an extra cost to the business. Therefore, providing supports to businesses in order to accommodate people with disabilities—not necessarily by giving money to the people with disabilities, but by actually distributing it among small and medium-sized employers so that they have the capacity to hire people with disabilities—would seem more realistic than some of what's going on now.

A lot of that is a federal-provincial issue, so it would be through the labour market agreements that go into the provinces and looking at the sorts of supports and how that program could develop things.

Again, I just want to identify that in the latest document from Minister Duclos, it's the same thing. I don't know if you've seen it, but he is looking at poverty. There are all these pictures of different groups and what percentage they are. It's the same thing; disability goes across.

● (0930)

As our population ages, there are going to be more and more people with disabilities. If we want them to participate fully in the community, which certainly Minister Qualtrough is moving towards—and there's the fact that they're looking at a Canadians with disabilities act and ensuring that people have the opportunity to get involved—then there's going to be a need for more money invested in disability supports. I'm not talking about just giving money to the people, but in the supports that they need in order to participate in the full extent of Canadian citizenship, not being left behind because they're living in abject poverty.

I'll leave it at that.

The Chair: Thank you very much, Mr. Hicks, and thanks for the document. There are more recommendations in there than you mentioned.

We'll turn now to Mr. Davidson with the Manitoba Chambers of Commerce. Welcome, and the floor is yours.

● (0935)

Mr. Chuck Davidson (President and Chief Executive Officer, Manitoba Chambers of Commerce): Thank you for the invitation to address the committee today.

The Manitoba Chambers of Commerce has been around for 85 years in Manitoba. We represent 69 chambers of commerce, which represent close to 10,000 businesses in the province, and our role is to provide support to those chambers and those businesses to ensure they have a strong business network in the province. We are an advocacy organization acting as the voice of business in Manitoba, which means we develop public policy through a grassroots process on behalf of the business community but also communities throughout Manitoba.

As an organization, our mission is to champion sustainable economic growth, leading to greater prosperity for business and communities in Manitoba. A big part of my job is to ensure that I have a good understanding of the challenges facing businesses in Manitoba, so I spend a lot of time meeting with business owners and

community leaders around the province. When I talk to these leaders, I typically hear two main challenges in Manitoba.

The first challenge I hear about is economic competitiveness. These are issues related to taxation, regulations, and ease of doing business in Manitoba. Second, I hear about workforce. Being able to find employees and also finding employees with the right skill sets are big challenges for businesses in Manitoba.

My comments today will be focused on and consistent with what you would hear from our national organization, the Canadian Chamber of Commerce. I will outline three areas where the federal government can focus its efforts in the upcoming budget to address the challenges I hear from business and from community leaders.

The first area is trade opportunities.

Canada has to do better at exporting if it's going to grow the economy. The top priority is to diversify our trade into more fast-growing markets. Canada has been aggressive in pursuing new trade agreements over the past few years, highlighted obviously by the trans-Pacific partnership and the Comprehensive Economic and Trade Agreement with the European Union, but business continues to face substantial barriers to expanding abroad.

Canada must be more strategic in supporting its trade in highly sophisticated and competitive world markets, especially for new high-value services. Canada must help growing businesses scale up internationally. It must do more to engage in influencing international standards and it must ensure trade commissioners and other supports remain highly competitive. They are often the key difference-makers for Canadian firms seeking to break into new markets.

Our organization advocates that the federal government ratify and implement the TPP and the Comprehensive Economic and Trade Agreement with the European Union. We call upon the government to engage with Canadian businesses and develop more comprehensive, fair, and strategic international trade strategies that accelerate economic growth for Canada. We call for expanding trade and investment promotion services, increasing engagement on international standards, and establishing a national development finance institution that helps Canadian businesses deploy technology and capital in emerging markets.

We also call for investing now in trade-enabling infrastructure, because rail and port, those vital export corridors, will be sorely needed when the global economy gets back on track.

The second area is internal trade barriers.

Our organization welcomes the conclusions of a recent report released by the Senate Standing Committee on Banking, Trade and Commerce, which revealed that internal trade barriers account for a loss of potential revenue in the Canadian economy ranging from \$50 billion to \$130 billion annually. The Canadian economy remains divided by artificial barriers to trade and labour mobility that frustrate business investment and cost consumers billions of dollars every year.

Highly competitive national economies are characterized by speed and flexibility. The free flow of people, goods, and services throughout the country allows competition and high levels of service while helping to address shortages in skilled labour. Unfortunately, the patchwork system of regulations within Canada significantly hinders its productivity and competitiveness.

Our organization calls for the measures that follow.

The federal government should take a leadership role in continuing to move barriers to internal trade forward through pro-liberalization pressures in procurement, regulation, and direct negotiation with the provinces and territories. It should continue to promote stakeholder engagement through AIT negotiations, which is essential to ensuring political considerations do not frustrate the movement toward liberalization. Further, it should expand the right of private parties to seek redress in court, as the market is the only force capable of driving reform.

Finally, the third area is innovation strategy.

Innovation, invention, disruption, and the creation of intellectual property and higher-valued products and services are the essential ingredients that will drive further economic prosperity across Canada's business sectors, yet despite countless studies, reports, and recommendations, Canadian business continues to be challenged on productivity, an essential measure of Canada's ability to compete with both advanced and emerging markets. In Canada, many businesses and public institutions have failed to invest or partner in innovation at the rate required to drive success. Since 2010, federal R and D expenditures have fallen 12%. If economic forecasts are borne out, federal R and D expenditures as a proportion of GDP will have fallen 26% in just five years.

Our organization will advocate and work with the federal government to foster a more innovative economy through the following measures: creating a focused strategy to bring innovative, technology-based Canadian start-ups to competitive scale; fostering improved relationships and partnerships between business, government, university, and public research institutions; leveraging R and D investments by improving the integration into the innovation ecosystem of companies and institutions that focus on the commercial application of intellectual property; and finally, creating more effective tax or grant strategies to foster R and D for both process and products.

● (0940)

Our organization believes that if Manitoba is to achieve the level of prosperity needed to take our provincial economy to the next level, we strongly encourage both the federal and provincial governments to increase their focus in the budgeting process to

ensure that economic growth is the driving force behind decisions that are being made.

Looking at key economic indicators would be a part of that, including GDP per capita, government spending levels, debt indicators, labour force growth in both the public and the private sector, and increasing wages in Manitoba. If government is focused on increasing economic opportunities and prosperity, these indicators will be positively influenced.

Again, thank you for inviting our organization to provide comments on the budget process. We hope that as the government continues this process, it will focus on outcomes that will benefit all Canadians.

Thank you.

The Chair: Thank you very much, Mr. Davidson, and thank you, all.

I think we have time for a first round of seven minutes, and then we'll go to five.

Mr. MacKinnon, go ahead.

[*Translation*]

Mr. Steven MacKinnon: Thank you, Mr. Chair.

It's a great honour to be in Manitoba this morning.

[*English*]

I thank our colleague Ms. Ashton for her hospitality in her home province.

As we go across the country, some themes emerge everywhere we go. As Mr. Davidson just correctly identified, finding ways to achieve growth in this economy—inclusive growth, growth that maximizes the potential of Canada's economy but also of all Canadians—is certainly at the forefront of our challenges.

One of the key themes I heard.... I heard some very pertinent local things, and I was intrigued on the disaster financial assistance front, but I want to focus my section of questions on the issue of skills. Ms. Lane, I think you called it competencies and not certificates.

It has been a long time now since the federal government fundamentally devolved labour market training to the provinces and co-funded it. I'm sure there are lots of very pertinent measures in place to ensure that funds are spent in the manner in which they are intended.

What we hear all the time is that there are jobs with no takers, and there are people who are unemployed and have no reasonable prospect of finding a job with the competencies they have. This is very true in our immigrant and aboriginal communities, and it seems to be true throughout all sectors and across all regions of Canada, and certainly in the case of people with disabilities.

Mr. Chair, I would ask Ms. Rosales, Ms. Lane, Mr. Hicks, and Mr. Davidson to all comment briefly on where they think labour market training, and training generally, is falling down. What are the quick fixes that could be applied, and what are the more long-term fixes?

The Chair: Ms. Rosales, do you want to start?

Ms. Carinna Rosales: Thank you.

One of the things I see most regularly in working with newcomers and indigenous folks is systemic racism as a long-term issue that needs to be addressed. I think it's difficult when newcomers come here, perhaps with different names that are difficult to pronounce. That creates fear in employers, who wonder how they will possibly interview this person. Often their resumés are outstanding and they appear to be overqualified, so they get tossed off the pile. These are difficult challenges to address.

Quick fixes could involve supporting local organizations that are on the front lines within settlement sectors, as well as supporting job creation and labour market support services agencies that work directly with folks.

Another challenge is fixing the many loopholes in agreements so that different low-income or barriered individuals can fit the criteria in order to access services or support. I think that can be corrected through local collaboration and co-creation of circumstances, documents, and programs that support this target group.

Thank you.

● (0945)

The Chair: Thanks.

Go ahead, Ms. Lane.

Ms. Janet Lane: Thank you.

There are so many places. Where do I start?

When we are going around looking for labour market information, we are asking employers about what are they going to need. Normally, the qualifications people request are credentials. They label people by the job description.

We need to help employers to break that down into the competencies they need for that job. Sometimes they would say you need an engineer, but they don't need an engineer; they need a technician or a technologist, for one example.

When we're talking about lower-skilled workers, they say they need high school graduation. Sometimes they don't actually need high school graduation for that particular job—which is not to say I don't want to support people to graduate from high school—but let's find out exactly what it is employers are looking for. I think we don't do a good enough job of that.

Then we give them canned curriculum in our programs: "Oh, you need that; then we have just the curriculum for you" That's instead of customizing the curriculum for the employer for what they need in the moment.

I'm all for learning more than what's just needed at the moment, but in order to solve the problem in the short term, let's find out what it is that the employer really needs, rather than talking about certificates. Then let's find out what the gaps are between what they have, what they are able to hire, and what they really need. Then you can fill the gap, rather than enrolling people in a four-year program that they're going to have to go through after they do the pre-training and all of that.

Sometimes it's not necessary, certainly not for our aboriginal people and our new immigrants, since they already have some level of competencies. Let's assess those and then let's fill the gap, rather than putting them through particular programs we already have in place. I think we need to help employers to understand what it is that they are really looking for.

This proxy of using credentials is not serving us. For instance, this company I've been working with has journeyman ironworkers, but when they bring people from different parts of the country or from outside of the country, because they have a journeyman certificate, they are supposed to be able to work up at 300 feet. They might not have ever worked at height. They may not have ever worked in the cold. They may not have ever done that particular weld.

Let's find out exactly what it is that employers are looking for and assess people for what they have, and then fill that gap.

The Chair: Go ahead, Mr. Groening.

Mr. Ralph Groening: I know you didn't direct the question at me, but I do have a contribution.

One of the issues that I think would help us as municipalities is that the Canada-Manitoba job grant program has excluded municipalities. A resolution that was supported by 95% of our members at our last convention asked for the government to reconsider the exclusion of municipalities from that program. I want to emphasize that there may be some opportunity there to add value to the way in which municipalities contribute to the job market.

Thank you.

The Chair: We're going to be well over Steve's time, but it's a question that needs an answer.

Go ahead, Mr. Hicks or Mr. Davidson.

Mr. James Hicks: I guess I would start by saying that I think there's a major problem in the way in which we approach programs for employment. I agree competencies are more important than actual degrees and those sorts of things, but I also think that in a typical employment program for people with disabilities, a group of folks who know about disability try and teach people about employment. It's not an industry-specific sort of training.

I think there needs to be more connection between the industries themselves, maybe even looking at having programs that are based in a specific industry, so that they are working with the industry to make sure those folks have the skills that industry needs in order to go into that industry.

It means coming at it from a different perspective, meaning partnerships. We could look at an industry-community partnership in order to create a program that can then ensure people are going into the workforce.

• (0950)

Mr. Chuck Davidson: My comments will be consistent with what Ms. Lane has talked about.

The biggest issue I continually see in regard to the labour market is the need for better labour market information. You could then determine where the gaps are, what business is looking for, how post-secondary institutions are going to be able to respond to those needs of the business community, and where government can provide programming that's going to be flexible but also consistent with what the business community is looking for.

On numerous occasions I've heard from businesses that are unable to find specific skill sets, where either post-secondary institutions are not training in those areas or there are no programs to provide training. Sometimes it takes organizations like ours and others to be a bit of a lever to give a better understanding of what some of the challenges are.

I would suggest better labour market information has to be a top priority.

The Chair: We're well over in that round.

Mr. Liepert is next.

Mr. Ron Liepert: Thank you. I have three questions. I'll try to keep the questions brief, and if you could try to be succinct in your answers, I would be most appreciative.

Mr. Davidson, as a Conservative member of Parliament, I'm sure it's no surprise that our belief is that the private sector and not government creates jobs and drives economic growth. As an Alberta MP, though, I consistently hear from the business community about the piling-on effect.

I'll give you an example from Alberta. Each of these in its own right may be good or may not be good, but you have a carbon tax, an increase in the minimum wage, and municipal governments putting a head tax on each head at feedlots.

At the end of the day there's just one taxpayer, so I would like to get your sense of whether or not it's time for governments generally to really start to address this piling-on effect.

Mr. Chuck Davidson: Absolutely. I'm very well versed with my counterpart in the Alberta Chambers of Commerce. He raises this point on a consistent basis with me.

Obviously this is an issue that we deal with here in Manitoba as well when we are looking at what we are doing that is making us less competitive. The whole focus needs to be on creating a more competitive business climate, and the role of government, to my mind, is always to create the climate. It's business's job to create the jobs.

When you're adding taxes, adding regulations, and making it more challenging for business by adding to their costs, that makes it more difficult for them to increase that prosperity, to increase jobs, and to create greater wealth within their employment.

Absolutely, we need to take steps to lessen the burden on business to allow them to be more competitive. I think that will have the greatest impact in terms of creating greater prosperity in Canada.

Mr. Ron Liepert: The energy downturn in Alberta and Saskatchewan that I'm familiar with—and it's probably the same in Newfoundland and Labrador—certainly hit our provinces hard. Manitoba has a little production, but not a ton in that sense. Manitoba, especially Winnipeg, is heavily a manufacturing centre.

Give me a sense of whether you're noticing that impact on the manufacturing centres and your business community, even though it's not a direct hit to Manitoba.

Mr. Chuck Davidson: I can give you some real examples. I had the ability to tour some businesses in Winkler, some manufacturing companies that had moved their manufacturing focus from an agriculture-based perspective to one that was more based on providing to the oil industry. They've seen significant decreases in terms of their capacity. Obviously, there's hope that there's going to be a rebound.

These companies are currently dealing with the question of what to do with their employees. They've had some challenges with some specific programs in order to continue to keep their employees without having to lay them off and let go of them in the meantime. A number of companies throughout Manitoba are being impacted, and they are trying to basically hold the line and continue to have the employees they have until there's a rebound.

There's no question that impacts are being felt in Manitoba as a result of that.

Mr. Ron Liepert: Thank you.

Mr. Hicks, I found some of your recommendations very sensible. I'll put it that way. For the one that you specifically mentioned, I couldn't find a cost in your brochure, but I can't imagine that changing it from a tax credit to a tax refund—I think those were the terms, or close to it—would involve a significant cost.

I want to explore something else. The second point that Mr. Davidson made was about labour availability. I've always felt that an untapped market in our country was folks with disabilities. What can we do better to connect the need at the business level to the availability in the disability community? Is there something that maybe the federal government could do, for example, relative to a small business tax credit, for someone who qualifies as disabled?

• (0955)

Mr. James Hicks: I'm sure there probably is. There's a possibility of giving tax credits to the businesses, particularly for some of the things I talked about and the need for accommodation and those sorts of things.

I'll use screen readers as an example again. If somebody is visually impaired and needs a screen reader, the technology advances so quickly that the screen readers they have no longer work, so they need new ones. Is that the person's responsibility or the employer's responsibility? Most people would say that if they're an employee and they need a particular type of thing to do the work, it's really the employer's responsibility, but that causes difficulties for the employers.

I think if there were a way to sort of combine those two things, looking particularly within the small business sector, because I think that it's an untapped market for people with disabilities—

Mr. Ron Liepert: Yes, and I think that's what I'm getting at.

If I'm a small business person, I'm going to have to look at those potential costs that I have to incur if I hire this person. If there's that kind of allowance in the tax system, it seems that we just need to do a better job of finding out what some of those small—and frankly, I think they're pretty darned small—costs may be that are associated with them, and saying this could be an appropriate way to go.

I'll leave it at that.

The Chair: You have time, Ron, if you want to further that question.

Mr. Ron Liepert: I have time?

The Chair: Does anybody have another answer to that?

Go ahead, Mr. Davidson.

Mr. Chuck Davidson: I'd be happy to address that.

One thing is on even greater awareness. That's one thing that organizations like ours are trying to do, to understand what the workforce challenges are right now in terms of that shortage of workers. We're really encouraging businesses to look at different pools of workers, whether they be new immigrants, aboriginal people, or people with disabilities.

Some things you find when you do some research on persons with disabilities and hiring them is that there's sometimes greater productivity within your company. Sometimes it's giving them a better understanding of what specific jobs you're looking to fill, what the needs are, and the skills sets you're bringing in. Numerous people we've talked to are very high on hiring people with disabilities, and for that reason.

Mr. Ron Liepert: Mr. Chair, let me just push it over to the municipal organization.

Do you see something that could be incorporated in the federal tax system as it relates to municipal governments that could also address this particular issue?

Mr. Ralph Groening: I was going to offer a comment on the suggestion of the impact for us in Manitoba regarding the downturn in the price of oil. Certainly our municipalities and our member communities are impacted at the end of the day. There's one taxpayer, so when there's a loss of jobs or businesses have to leave, our communities struggle to meet the demands that are placed on them.

In terms of tax structure, I'm not certain that I could add anything further to the discussion, other than to acknowledge and to emphasize what Mr. Davidson said. There is and has been an impact in Manitoba that probably hasn't quite yet been recognized. We want to emphasize that point.

The Chair: We're done.

Ms. Ashton, you have seven minutes.

Ms. Niki Ashton: Thank you very much.

Thank you to all of you for the great presentations today.

Before I go into my questions, I want to acknowledge, Ms. Rosales, that any of us as Manitoba members of Parliament would know a number of the topics you touched on in terms of the casework we face. Thank you for your very concrete recommendations.

I also want to thank you, Mr. Hicks, for your presentation. I'm familiar with the document and the good work that you do.

Mr. Hagerman, there is such a robust network of activists and advocates here in Manitoba when it comes to the need for Canada to play a greater role in foreign aid. Thank you for being a voice on that front and for your recommendations.

Obviously I'm cognizant of the fact that we are here to talk about the realities in our province. As many of us know, but perhaps not everybody in our province knows, we as Manitobans do better when all of Manitoba is better. As you know, it's been a very difficult summer for the part of the province that I represent, northern Manitoba. There has been a series of very difficult announcements, but one that involves the federal government in a very major way is the announcement regarding the Port of Churchill. I know a couple of you here today, both the AMM and, of course, the chamber of commerce, have spoken out on this issue.

We're here to talk about what the federal government can be doing for our communities and for our province, so I'd love to ask you, Mr. Groening, as well as you, Mr. Davidson, to perhaps share your perspectives of how important you feel it is for the federal government to come to the table in a long-term sense. Obviously we saw a recent announcement for the short term, which is important, but we need the recognition that there needs to be long-term support for the Port of Churchill. It's a jewel for us in Manitoba, but it's a community that's hurting right now, and a sector that deserves federal help.

We could perhaps start with AMM.

I do want to read into the record that Mayor Mike Spence has been quite vocal about the need for the federal government to nationalize the port and move it to a port authority. I'm wondering, Mr. Groening, if you could share some of AMM's thoughts on this front first.

● (1000)

Mr. Ralph Groening: Thank you, Ms. Ashton.

Yes, we were involved almost from the very moment the announcements were made affecting our northern communities, Churchill and all the communities along the rail line that in some form or another depend on that line to be there to provide the communities with the commodities and services they need. We met with the mayor of The Pas. We were up in Thompson. We emphasized the support, the importance of the northern communities, and the importance of that rail line in whatever final decision is made. I know there's been some initial offer of support for Churchill. We appreciate that and we acknowledge that.

We also met with the provincial government to emphasize that we want to work with them to ensure that for the northern communities that are already struggling—they truly are struggling—we can work collaboratively to improve the circumstances they're currently facing.

Ms. Niki Ashton: Great. Thank you, Mr. Groening.

I know, Mr. Davidson, that obviously the chamber has been up to Churchill. You made some very clear statements with regard to the need for federal action on this front. I wonder if you could speak to that.

Mr. Chuck Davidson: Thank you very much, Ms. Ashton.

This is a file that's obviously very near and dear to the chamber's heart. It's an issue that we've been dealing with. I've been up there on numerous occasions.

I appreciate your initial comment about the need for a long-term solution. I think there has been so much uncertainty in northern Manitoba in terms of the potential but also some of the challenges that the communities are dealing with. When I go to visit communities in northern Manitoba, there is, for those of you who may not be aware, an uncertainty in every single community in northern Manitoba.

In your home community of Thompson, there's a lot of uncertainty going on there in terms of what the long-term solutions will be. It's the same in Flin Flon, The Pas, and Churchill.

That's part of the rationale for our organization calling for a long-term economic development strategy. We need to determine what is in the best interests of northern Manitoba—with individuals from northern Manitoba. They need to be part of that solution, as do the indigenous community and the community as a whole in terms of looking at the long-term solution.

We're very aware of Mr. Spence's comments in terms of a solution for the Port of Churchill. Our organization hasn't taken a hard and fast position on exactly the nationalization. We look at the opportunities in the far north in terms of Churchill being a resupply port to the far north, in terms of the strategic asset we have. We think it would be significantly impacted if it were to be lost. We think it needs to be a key priority for the federal government as well as for the provincial government.

We understand that there are no quick solutions to this, but I think the fact that we're continuing to make this a top priority for our organization and continuing to push with both the provincial and federal governments is key. Working with stakeholders, making sure that individuals in the north are part of the solution, and making it a long-term solution, not one that will be there just for short-term gains, are what we would obviously be in favour of.

• (1005)

Ms. Niki Ashton: Thank you.

The Chair: I won't take time away from you, Niki, but I have a question for the benefit of the committee.

Can somebody explain the cause-and-effect situation in Churchill with the rail line and the port? Can somebody, for the benefit of the committee, explain exactly what's going on? I think everybody's

operating under the assumption that we all know. We may not all know.

Who wants to explain it?

Ms. Niki Ashton: I appreciate that, Wayne, and I know that with your background in agriculture you know the domino effect on the agricultural sector.

That is all to say that at the end of July, the American company that owns the port and the rail line basically said that they were shutting things down for the season with respect to the port in particular. This meant that about 70 people didn't have a job in a community of 800 people, so you can imagine that's devastating in and of itself. The various other spinoffs are the number of farmers who were expecting to ship their grain through Churchill and all of a sudden had no other option.

Obviously this has put the entire community's local business in a tailspin and it reverberates throughout the Hudson Bay line, and I appreciate the reference to the Bay line as well. Basically it's a major source of insecurity but also pessimism because people are wondering how to move forward from this.

What I will add finally is that many people have said, and I think we've heard it here as well, that there is a very significant role for the federal government to play. This used to be owned by the federal government. The for-profit model for a port like Churchill has not worked. In fact, it's been an epic failure.

Last week Minister Bains made an announcement in the short term but as has been indicated, much more is needed in the long term. This is the only deep-water Arctic seaport we have in our country. It's integral to the diversification of the Manitoban economy and particularly to the development in the far north as well.

I appreciate that reference from you, Mr. Davidson.

All signs point to the need for the federal government to be at the table to find a long-term solution for Churchill and also for Canada.

The Chair: Okay, I think that spells it out.

Ms. O'Connell, you have the five-minute round.

Ms. Jennifer O'Connell: Thank you very much, Mr. Chair.

Mr. Hicks, I'm really glad you're here and I'm really glad you presented. This issue is very near and dear to my heart.

My colleagues know, but you may not, that I spent 10 years in municipal government prior to running federally. One of the things I focused on most was persons with disabilities and how to make a change there, both in my public life as well as my private life. I was on some boards dealing with that, so this issue is important, and I thank you for being here.

I want to start off by saying that one of the things we were able to do in my municipality was hire some people with cognitive disabilities and put a training program in place. We worked with an organization that provided the “outside the job” skills that were needed. For example, they learned how to take the bus to work every day and created that routine of who to go to.

We also knew with this partner organization the business case. To Mr. Liepert's point, the business case for hiring a person with a disability is actually there. They tend to be more loyal. There are some upfront costs, maybe in terms of accommodation, but they tend to not have to rehire someone, especially in the service industry.

That being said, I want to expand on your recommendation in terms of changing some of the tax systems. In my experience, those with disabilities tend to never find paid employment—it's usually only volunteer—to build up their résumés. Nobody ever hires them for paid employment, and sometimes it's a disadvantage to be paid because then they will lose their disability credit, or they will lose because of that income gap where you get benefits and then you lose them if you supplement them with anything else. This impacts someone's ability to be in the meaningful labour market.

Can you speak about what that means and the disadvantage of finding paid employment in terms of those other tax benefits or disability tax credits?

• (1010)

Mr. James Hicks: First off, I tried to stick primarily to federal issues, because this is a federal government. Typically, the provincial government is responsible for any disability pension that people get.

Money is provided by the federal government. Obviously there would need to be an agreement between the two governments so that they're not going to start clawing that back. There's no use in the federal government paying something out to try to bring somebody's level of poverty down, and then somebody else taking it back because it goes against their policies.

There needs to be a really good federal-provincial combination there, where they're actually talking to each other, and the municipalities. The FCM needs to be involved in identifying what impact it's going to have on the municipalities themselves, because the municipalities also get involved in a lot of those sorts of supports.

If the supports are done properly, it doesn't necessarily have to impact what's going on. If people are paid for what work they're doing, if they're doing a good job and they're paid, then you shouldn't have to lose benefits. That's where some of the refundable disability tax credit comes in. If it's refundable, even if you're in a lower paying job, you still get that money back.

Primarily the folks who are benefiting from the disability tax credit are those who are at a high income level. They're well-employed and they're in a higher tax bracket. The fact that they're paying more taxes means they get that full credit. The folks who aren't paying a lot of taxes don't get that credit. That's the rationale behind it.

I just go back to the whole idea that it needs to be a joint effort between all levels of government. Although I'm really happy that

Minister Qualtrough is looking at a Canadians with disabilities act, the fact that there was a choice made for it to be only federal means they're not going to get at a lot of the issues that happen between governments in trying to support this population.

The Chair: Mr. Groening wants in.

Mr. Ralph Groening: Thank you for the opportunity.

Accessibility for Manitobans and the national or federal role is very relevant to us at this moment. We've been involved as an organization with the provincial government in establishing and creating The Accessibility for Manitobans Act of 2013. It's a good act. The standards are in the process of being developed. I had a good conversation with Mr. Hicks this morning. I certainly am hopeful and I appreciate some of his comments that are supportive of how we're trying to move ahead as a provincial organization with the support of the province.

We also have been looking to some degree at the Ontario model, but we need leadership from the federal government. That has been part of our discussion with our accessibility for Manitobans advisory council. We have directly referenced and would ask that you provide some of that detail to would allow us to play a role in having a better standard for Canadians with disabilities, not only Manitobans or Ontarians.

Thank you for the opportunity. I think it's very important that you move ahead with that.

• (1015)

The Chair: Mr. Aboultaif.

Mr. Ziad Aboultaif: Thank you all for good presentations.

I would like to focus my question on productivity. I heard from Ms. Lane and Mr. Davidson a little bit on the internal trade barriers and the labour mobility between provinces, as well as strategic trade, safer workplaces, and human capital policies.

One thing I believe we do suffer from is in terms of productivity. That means competitiveness. That means a better place in the world market, especially if we can encourage—and we do encourage—trade agreements, free trade agreements with the rest of the world. It would be nice to sign free trade agreements, but if you're not in a competitive position, you'll be losing more than you will be gaining.

My question is to Mr. Davidson, Mr. Hicks, Ms. Lane, and whoever else wants to participate. How do we improve productivity among our industries, specifically in Manitoba since we're here; and why do we always ask the federal government to interfere when I do believe the private sector is the main factor in working on that because they will be front stage to do so?

The Chair: Go ahead, Mr. Davidson.

Mr. Chuck Davidson: That's a great question. In regard to productivity, this is not a "government fix everything for business" solution in my mind. The business has a role to play. I think the bigger issue is what we are doing in Canada and in the provincial government about what the regulations are, what the challenges are, and what the red tape is that is before businesses right now. That's always been the biggest challenge. I met with a business last week in Brandon that was dealing with a workplace health and safety issue. They're dealing with a piece of machinery. They had an inspector come in and say that this piece of machinery needed to have a guard on it. This piece of machinery they've had in place for 35 years, and it's never had a guard. Someone came in and has basically shut down this organization for the past 10 days until they can put a guard in place for a piece of machinery that's never had one.

Things like that are some of the challenges that corporations and businesses are dealing with. We need to make sure that we have a good relationship between business and government in what some of those challenges are that businesses are dealing with and how they can respond to them. Whether it's red tape, regulations, or paperwork that needs to continually be done, what are we doing for these businesses and are we listening to what's holding them back? I think that's creating that better relationship. That's going to be a key to increasing productivity in Canada.

Mr. Ziad Aboultaif: Ms. Lane.

Ms. Janet Lane: There are so many answers to this question, but from my perspective it is about skills and competencies. We could go right back to our literacy levels, which are in decline in this country. The federal government does have a role to play in supporting the development of literacy skills. I know that everybody thinks that's education, but when it comes to workplace training, we have aboriginal people, immigrants, and people with disabilities. Especially for people with disabilities, we don't think about that, but it's harder for them if they've had this disability from birth, and it's harder for them to gain those cognitive skills that they need in the first place. We could be supporting their training in adulthood a bit longer.

For the cognitive skills that are needed, we are in decline and we need more of them. We have no level one jobs left on a five-point scale for literacy and cognitive skills in this country, but we still have 40% of our workforce at levels one and two. We could increase our productivity by increasing the cognitive, literacy, and math skills of our workforce, and then demanding that we use them. If we want to be more productive in this country, we're going to have to raise the level of demand for skills, as well as our level of supply.

For some of the jobs, and for want of a better word, we've dumbed down those jobs over the last little while. We need people to be using all the skills they have, and I think that the federal government has a role to play in increasing the demand for literacy skills for our employers to help them add more value. Let's take McDonald's. Everybody thinks McDonald's is a low-skilled workforce, but it's getting to be a higher-skilled workforce. When they put in those new machines, they had to increase the number of people to make the hamburgers because a customized hamburger is more difficult to make, and it takes more cognitive skill than what you did with a Big Mac. Even McDonald's has increased the demand for cognitive skills

in their employees, and their sales are going up and their profits are going up because of it. That's the kind of thing I'm talking about.

● (1020)

The Chair: Ms. Rosales.

Ms. Carinna Rosales: I'd just like to add that some policies create additional barriers that reduce productivity. When we're looking at our skilled immigrants, for example, the policies established by the regulatory bodies and trade associations mean that in some instances folks have to go back right to the high school level when the different kinds of assessments that should be done aren't being done, and it can take someone four years to requalify through the process.

Another challenge the federal government could play a role in is working with local governments. Here in Manitoba we have shortages in the health care field of nurses and doctors. We have a provincial government that's closing bridging programs. I have now a wait list of internationally trained nurses who were actively recruited here to work in this field, and now they can't even access the education they require to do so.

I would encourage the government to look to work collaboratively with provinces and regulatory bodies around the policies that are creating barriers.

The Chair: Thank you.

Mr. Grewal.

Mr. Raj Grewal: Thank you, Mr. Chair, and thank you to all of our witnesses for coming today.

I'm just looking at the Conference Board of Canada's website, and Manitoba is one of the provinces that is supposed to have greater than 2% GDP growth this year. It is a light in the country, especially given the grim outlook not only for Canada's economy but for the world economy. For that, I congratulate you all.

My first question is to the Association of Manitoba Municipalities. You spoke about infrastructure funding, and Manitoba has received \$82 million in public transit infrastructure funding and \$95 million in clean water in the first round. I totally recognize the fact that small cities weren't included in the phase one infrastructure funding. In phase two, the minister made a point of saying that the funding would be more permanent and more flexible to ensure a bottom-up approach because we recognize that municipalities have the talent and the knowledge to invest the money correctly. What is your organization doing? What are municipalities doing here to ensure that the money is spent correctly?

Mr. Ralph Groening: I think I started my comments by offering that we are the third level of government, and sometimes the least appreciated. As an organization representing the municipalities, we are on the ground. We're grassroots. We are directly on site and are able to identify the projects. That's why we appreciate having been able to play a role with the federal government in identifying projects. We are there and we have the ability. We understand the need for the projects.

Mr. Raj Grewal: How much is the infrastructure shortfall amongst your municipal partners?

Mr. Ralph Groening: We have identified \$11 billion. It's growing rapidly because we do have growth in our province. That, of course, places additional stress on our infrastructure.

Mr. Raj Grewal: You mentioned that there's a shortfall in the cost of policing. Is this with the RCMP or the local...? You have two local police services here, the Winnipeg Police Service and another one. Is the shortfall with the RCMP?

Mr. Ralph Groening: The shortfall is more with the cities of Winnipeg and Brandon. The larger police forces in particular are struggling to maintain the level of service that's expected by their communities. Because of the ability of the RCMP to unionize, we have already identified that as an additional cause for concern and very likely a potential additional cost. It is with the larger cities, the cost of policing, and the potential increased RCMP costs.

Mr. Raj Grewal: Is there a number of officers that you could quantify?

• (1025)

Mr. Ralph Groening: No.

Mr. Raj Grewal: If you could do that, I'm sure it would help you in terms of asking for...especially with the RCMP.

Mr. Ralph Groening: If you are referring to the RCMP, we certainly would be able to do that. There's a shortage of officers, but I don't have the number with me.

Mr. Raj Grewal: You also mentioned broadband in terms of access hurting economic growth. What percentage of the municipalities don't have access to high-speed internet?

Mr. Ralph Groening: We struggle even with the definition of high-speed internet. What is it?

Mr. Raj Grewal: I'll contextualize it. It's the ability to stream Netflix.

Mr. Ralph Groening: I will give you a personal anecdote. I live 25 miles from Winnipeg. I can wait three to four minutes before Netflix kicks in, just to give you a flavour of it. That's not unique. Download speeds are the slowest in the country. We travel the province and we hear the complaints in the outlying areas of the north suggesting that they're unique. No, it's all over the province of Manitoba.

Mr. Raj Grewal: Yes, I know. That's something there's no excuse for. The chair has mentioned on numerous occasions that subsequent governments and previous governments have always made a commitment to make sure that Canada's fully connected, but I can only imagine your economic growth outlook if you had connectivity throughout the province. That's definitely a take-away that I will be knocking on my good friend Minister Bains's door to make a point of.

I want to comment to Mr. Davison on the chambers of commerce. Internal trade is a theme that we've heard across the country, starting all the way in Kelowna. I have limited experience as a member of Parliament—it's going to be a year this October—but in a previous life as a corporate lawyer the biggest difference between government and the private sector is that things are easier to negotiate in the private sector, and internal trade requires all of the provinces to come together. It's a frustration I can readily say the federal government is having with the provincial partners to get internal trade done. They're crawling forward on it. Just as a comment, I'm very positive that, hopefully, something will happen.

Mr. Hicks, thank you for your presentation. You'll be happy to know that the Minister of Justice and Attorney General is looking into reinstating the court challenges program. That was one of your recommendations.

The Chair: I'll go back to Niki in a minute, but I did have one question for the Association of Manitoba Municipalities.

There's one thing we constantly hear as we travel across the country as a finance committee. When somebody says to us that something was cut last February, or in the last budget, or the budget before that. I sit here and I say, "Did we really do that?" For the program on disaster financial assistance funding, when was that cut, you're saying it was cut by how much?

Mr. Ralph Groening: It took effect on February 2015. Basically, it's the deductible that was increased, so that we would need now a \$5-million disaster event in order for there to be potential for federal involvement in that disaster assistance program. What that resulted in was that the provincial government chose to take that gap and pass that down to the municipalities. We are offering the concern that we're absorbing that change that was done.

The process that was used was non-collaborative. We were called into a room and we were told, "Here, this is what's happening". It's not the way to do government and it was disrespectful, in our opinion. We are asking, kindly, to have a review of that change.

The Chair: We'll have to look further into that for sure.

The last question from Ms. Ashton, and then Jen, and we'll call it quits.

Ms. Niki Ashton: Perfect, thank you.

I have just a couple of questions.

Mr. Hicks, perhaps first to you, obviously the gap in terms of disability supports are huge when it comes to what first nations face, particularly on reserve, and that is a federal jurisdiction. I'm wondering if you could speak to the importance of federal action on that front and perhaps some of the challenges that your organization hears from people with disabilities.

• (1030)

Mr. James Hicks: Sure. For folks who are living on reserve, there's money that flows through the AFN. For folks who are not living on reserve, it's a different story. They're not getting money. They're often living in much more poverty. The supports just aren't arriving. When you look at the way in which things are dealt with, people up in the north have to be flown down to hospitals and all that sort of stuff.

I'm not sure if I'm answering your question. Can you phrase the question again for me, please?

Ms. Niki Ashton: Sure, it's about the need for federal action to address that gap.

Mr. James Hicks: Okay. From a federal perspective, some of the costs in the north come from the federal government. It's important that the federal government look at health care from a broad perspective and look at people who are living in poverty and who don't have access to some of the medical supports that people who can pay for it do. As you get more and more privatization in the medical field, we need to make sure that doesn't grow a bigger gap of who gets access to care and who doesn't. Certainly, with folks who are living on reserve and stuff, that gap seems to be expanding.

Ms. Niki Ashton: I just have one quick question for Ms. Rosales.

You obviously work with people who come in from the communities to Winnipeg. In terms of capacity, obviously a concern is the lack of funding for post-secondary education for first nations people. I'm wondering if you could speak to the importance of that as well.

Ms. Carinna Rosales: I think what we're seeing is definitely that there are many people who need to come down to Winnipeg and other major centres to access education, to access services. What many local non-profits are facing is that the demand is really outstripping our capacity to serve the amount of people who are coming down looking for services, and that's a huge challenge. Thank you.

The Chair: Ms. O'Connell.

Ms. Jennifer O'Connell: Thank you very much.

Ms. Rosales, my question is for you as well. You mentioned the CRA program and that they were in person and, if I heard you correctly—because I can barely read my own notes sometimes—they were originally there to help, and then they were cut. Are you asking that they be reinstated or are you asking for new programming? If it is reinstatement, when was it cut, and do you have any idea of how much or what that meant?

Ms. Carinna Rosales: We were originally part of a national pilot program, and we were funded through ESDC. There were nine pilot sites across Canada. Now, aside from Alberta, there are only two agencies left that have been able to continue operating. Once the pilot program ended, we were assured that they were looking at the

national evaluation of the project, and to continue serving newcomers as long as we could. They even went so far as to allow organizations to utilize loan-loss reserve funds to cover operational dollars so that they could continue operating and keep the doors open.

We have been in a holding pattern since prior to the election. No project officer can give us an answer. No one across Canada at the pilot site seems to know any greater level of detail.

We are asking that we hear news of what is happening, and whether the program is going to continue or if it's going to come out as a new program. But we are recommending and asking that the program be reinvested in to allow both operational funding as well as the loan-loss reserve or loan dollars to be available for skilled newcomers.

Ms. Jennifer O'Connell: Thank you.

Mr. Chair, can I just ask a technical question, because I didn't have your brief in front of me?

Is that specific recommendation in your brief?

Ms. Carinna Rosales: Yes.

Ms. Jennifer O'Connell: Okay. Thank you.

The Chair: Thank you.

We will suspend until approximately 10:45, to bring up the next witnesses.

Thanks, everyone, for your presentations. We appreciate it, and we do have your major briefs, those who sent them in, as well, within our system.

The meeting is suspended.

• (1035)

(Pause)

• (1050)

The Chair: We'll reconvene and call the meeting to order.

As most folks know, we are the finance committee doing pre-budget consultations for the 2017 budget.

We welcome all the witnesses here. We appreciate that some of you could take the time to send in a formal brief previously, and for those who haven't done that, we appreciate your taking the opportunity to present your remarks and your submissions today.

Before we go to the formal witnesses, we will introduce the committee just so you have an idea of the regions of the country committee members come from, and you know who you're talking to.

I'm Wayne Easter, member of Parliament for Malpeque, Prince Edward Island.

Mr. Grewal, we'll start with you.

Mr. Raj Grewal: Thank you, Mr. Chair.

My name is Raj Grewal, member of Parliament for Brampton East, just outside of Toronto.

Ms. Jennifer O'Connell: I'm Jennifer O'Connell, member of Parliament for Pickering—Uxbridge, which is on the other side of Toronto, in Ontario.

The Chair: It's noticeable that they say “outside Toronto”. They don't want to—

Ms. Jennifer O'Connell: Also, everyone knows where it is.

Mr. Steven MacKinnon: I'm Steve MacKinnon, member of Parliament for Gatineau, Quebec, just across the river from Ottawa.

Mr. Ron Liepert: I'm Ron Liepert. I'm the Conservative member of Parliament from inside Calgary, the Signal Hill constituency, and proud of it.

Mr. Ziad Aboultaif: I'm Ziad Aboultaif, Conservative member of Parliament for Edmonton Manning in northeast Edmonton.

Ms. Niki Ashton: I'm Niki Ashton, member of Parliament for Churchill—Keewatinook Aski.

The Chair: Thank you all.

We have the clerk and analysts at the front.

Starting with Economic Development Winnipeg Inc., we have Mr. Dandewich.

Mr. Greg Dandewich (Senior Vice President, Economic Development Winnipeg Inc.): Thank you very much, Mr. Chair. I really appreciate having the opportunity to present on behalf of Economic Development Winnipeg.

I have some introductory comments and then I'm certainly looking forward to the Q and A sessions during the period of time that we have around the table this morning.

Economic Development Winnipeg is an arm's-length agency, funded by the City of Winnipeg, the Province of Manitoba, and the private sector. We also access program funding through the invest Canada-community initiatives funds, or ICCI, and through Western Economic Diversification Canada.

We are mandated to deliver economic development and tourism services for the City of Winnipeg, which include business retention and expansion activities; and business attraction, particularly through foreign direct investment, or FDI, activities. We conduct strategic research on the Winnipeg regional economy and the key industry clusters within our market.

Effectively, we are the boots on the ground to bolster Winnipeg's economy through job growth, new investment, and increased visitation.

Leading think tanks, including the Brookings Institution, the McKinsey institute, and the Conference Board of Canada, have all identified the rapidly changing role that city economies are playing in the global economy. Subsequently, it's critically important that strong networks of collaboration exist between economic development agencies and the federal government so that we can align our efforts to reflect government policy direction designed to stimulate economic growth and prosperity across Canada.

However, in many instances, the capacity, at the city level, to advance these policy objectives is limited due to a lack of access to sufficient resources. The legacy of fragmented federal programs to

support economic development activities, specifically through regional development agencies, needs to be addressed. Operational and support resources from the federal government to city or regional organizations involved in business retention, expansion, foreign trade, and investment are limited and inconsistent, and they do not let cities take advantage of their individual strengths.

Economic Development Winnipeg is a founding member of the Consider Canada City Alliance, or the CCCA. This alliance is made up of the economic development agencies of Canada's 12 largest metropolitan regions. Collectively, the CCCA members represent 57.3% of Canada's population, produce 63.4% of its GDP, and have accounted for 82.5% of Canada's GDP growth in the last five years.

It's important that the federal government recognize the role that the large cities in Canada play in the national economy.

We applaud the efforts of the federal government and the Ministry of Innovation, Science and Economic Development in recognizing the importance of innovation through Canada's innovation agenda, in the cluster and asset mapping initiative, and national cluster mapping portal to support innovation networks and clusters. However, we want to ensure that the economic development agencies, such as ours, are used as a resource and sounding board based on our in-depth knowledge of industry clusters, innovation ecosystems, and the capacity issues within our communities in the area of skilled labour and investment.

Economic development agencies are equipped with programs for the handling of investors through the investment life cycle, business retention, and expansion programs to identify new investment opportunities for existing investors, and soft-landing programs to support new investors. However, neither collectively through the CCCA nor through the individual member organizations do they have access to the financial resources to fully exploit their potential to grow the Canadian economy.

We are the boots on the ground. We believe that federal policy objectives focused on creating greater prosperity for Canadians become more impactful when the economic development agencies representing metropolitan regions have a capacity to support those objectives.

I would like to close my comments by also raising another issue.

Fundamentally, all communities across Canada are struggling to be able to access the right type of data in order to effectively compete with one of our largest market players, the United States.

Recently a report was commissioned by Global Affairs Canada and conducted by the Conference Board of Canada. It identified significant gaps with respect to Statistics Canada being able to put the right information into the marketplace so that an appropriate comparative analysis could take place for companies looking to invest either in the United States or in Canada. Unfortunately, we're losing out on opportunities because we don't have the correct information.

Simply put, I would say that it's critically important to look at Statistics Canada, to look at how information is being collected, and to look at where those gaps presently exist.

• (1055)

The Chair: Thank you very much for that presentation.

Next up is the Business Council of Manitoba.

Go ahead, please, Mr. Leitch.

Mr. Don Leitch (President and Chief Executive Officer, Business Council of Manitoba): Thank you very much. Good morning.

The Business Council of Manitoba is very pleased to have this opportunity to participate in the pre-budget consultations. We represent the CEOs of more than 70 leading corporations headquartered in Manitoba.

The council is non-partisan in our outlook. Our interest is in contributing positively to shaping policy that fundamentally impacts our businesses, and the livelihoods of the tens of thousands of Manitobans employed in our member businesses. We believe our suggestions can lead to a more competitive economy, allowing businesses and individuals to prosper, and governments to benefit from the wealth and employment created. A rising level of prosperity throughout is our overall objective.

The starting point for a prosperous economy is to have a sound, stable fiscal framework. We believe it is important to set a target, and over time, to pursue a balanced budget. Occasional deficits to provide stimulus can be a useful tool. However, continual deficits place us in an increasingly precarious position. I point to our current situation in Manitoba as an example of a very serious deficit situation.

We must be competitive as a country where the business climate—and we define that as including taxes, regulations, access to skilled labour and capital—is on par with competing jurisdictions. To emphasize the point, if these conditions are not present, the ability of our homegrown businesses in Canada and Manitoba that now generate tens of thousands of jobs is compromised.

A key factor in our ability to compete is to have an educated and skilled workforce. Many businesses continue to confront shortages in key areas, particularly the sciences, engineering, and business. We suggest that there are three parts to securing a workforce to help carry us forward. Our post-secondary system is serving us well, but we need to ensure that it is more effective at graduating students equipped with the skills required in our economy.

Second, we have relied on immigration and the provincial nominee program to address skill shortages. That reliance will continue into the foreseeable future. The federal and provincial governments should expand the nominee program and allow greater provincial flexibility, in partnership with employers, to address the unique regional differences and requirements.

The third component of addressing our needs for an educated workforce is to more fully engage our youth, particularly our indigenous youth, and ensure they have opportunities to participate in our future. Businesses struggle for skilled workers while young

indigenous people seek work. We have the opportunity to engage this growing segment of our population more fully, if we strengthen our efforts to ensure educational outcomes for indigenous students are on a par with the rest of the student population. In Manitoba, we have one of the highest proportions of indigenous citizens. The federal and Manitoba governments must strategically co-operate to implement an integrated strategy, from education through to economic development, with the goal of ensuring our indigenous citizens are equipped with the skills to share in building our future and have the opportunity to invest in their own enterprises. We want them to be leaders, not just employees.

Canada is built on trade. Manitoba is a province that is built on trade. Our economy is considerably larger than if we relied on our small Manitoba market, or even our Canadian market. Many millions of jobs, and a third of our GDP, are directly trade-dependent. Allowing access to our market and gaining access to international markets will support our future growth.

We believe that we should be open to enhanced trade. Domestically, we continue to advocate for speedy improvements to the agreement on internal trade that is now being considered by the premiers. We support the Canada-EU trade agreement, and in principle, we support the proposed Trans-Pacific Partnership. The TPP would provide increased access for Manitoba exports of agricultural and value-added products, as well as manufactured goods. In the absence of the TPP, should that come about, we suggest that Canada should pursue a bilateral agreement, as a priority, with the most significant Asian member of the TPP group.

The federal government has allocated significant funding for innovation. The national innovation agenda should build on regional strengths and opportunities that take advantage of the existing partnerships and collaborations. One such Manitoba example is called EMILI, enterprise machine intelligence and learning initiative. This is at the leading edge of innovation in our nation. EMILI represents a unique partnership of businesses, universities, colleges, the Province of Manitoba, and hopefully the federal government. The initiative will advance machine learning innovation in support, in part, of our manufacturing sector and our competitiveness. We suggest that it should be a national priority.

• (1100)

In terms of infrastructure, over the next decade, we as a nation will be making very significant investments in infrastructure, almost unprecedented. We support infrastructure and transportation investments that enable private sector investment, export growth in trade, and improved productivity and competitiveness. We advocate a focused, strategic approach to investment that includes trade-based, strategic infrastructure investment; innovation and incorporation of technology; and community sustainability and prosperity.

I want to give one Manitoba example. Annually, \$25 billion in goods drawn from across western Canada flows across the Manitoba-U.S. border. This trade corridor, including the border-crossing facilities at Emerson, Manitoba, require additional trade-related investment, which would include the incorporation of new technology to facilitate the commercial and individual movement across the border. That border crossing is federal and the highways are provincial. On the U.S. side, the facilities are federal and the highways are generally state. Therefore, amazing co-operation is essential, but that is the single largest border impediment to enhanced Canada-U.S. trade in western Canada.

Thank you.

The Chair: Thank you very much, Don.

We'll turn to Mr. Mazier, from Keystone Agricultural Producers.

Welcome, and the floor is yours, Dan.

Mr. Dan Mazier (President, Keystone Agricultural Producers): Thank you.

Mr. Chairman and committee members, thank you for inviting us here today to provide our recommendations for the 2017 budget. My name is Dan Mazier, and I am the president of Keystone Agricultural Producers, or KAP for short.

KAP is Manitoba's general farm organization. We work on behalf of all farm families in the province, taking direction from our members, which include individual farmers and commodity groups.

I want to stress that farmers are small business owners who significantly contribute to Canada's economy. Primary agricultural producers have created more than 275,000 jobs for Canadian workers, and the agrifood sector as a whole is responsible for employing one in eight Canadians. Agriculture's financial contribution to the economy is equally important, representing over \$108 billion of Canada's GDP in 2014.

Because of our competitive and ambitious producers, Canada is in a position to capitalize on increasing demands for food, as the world population grows. Our producers are also equipped with the skills and ingenuity needed to meet growing domestic consumer demands for new agrifood products. We are certain that great opportunities exist, and we ask that you consider the four recommendations we are about to make.

The first is to support farm families and new farmers. Farming operations now require greater start-up and ongoing capital investments, so we see few younger farmers. In fact, the average age of farmers is 54 right now. Additionally, many young people are moving away, leaving older farmers unsure about who will take over the family farm.

Undertaking effective tax planning is crucial to the continuation of family farming in Canada. We urge that the rollover provisions regarding family farm transfers be amended to recognize the full breadth of family relations relied upon to maintain family farms. We also advise that family farm corporations be provided with a level playing field when transferring their businesses to the next generation. This includes access to the capital gains exemption and ensuring siblings can access the same provisions as other family members.

Our next overall recommendation is support of clean technology and innovation in agriculture. Several opportunities exist for producers to do this, but they need support. Canadian farmers have already demonstrated their willingness to adapt to climate change and embrace sustainability, and they already make investments that reduce greenhouse gas emissions, improve water quality, and reduce the use of inputs such as fertilizer and pesticides. However, many new technologies are expensive, and without government supports they are viewed as too costly to invest in. For this reason, we urge you to develop and support incentives, such as tax credits or rebates, which will make cleaner technologies more accessible to producers. Additionally, we urge you to consider making greater investments in the research and data collection needed to inspire and support clean technology development. As well, a national strategy is needed, one that includes federal investments in research, commercialization, and incentives for the adoption of technologies.

Our third overall recommendation is supporting access to new markets for Canadian agricultural products. There are remarkable opportunities to improve international and domestic market access and reach, but in order for these opportunities to be realized, government and producers must jointly develop a strategic market access vision. We must also develop plans to address labour shortages in the agricultural sector and infrastructure weaknesses that limit our ability to meet market demands and trade objectives. We would also like to see the federal government continue to take a leadership position on, and make investments in, further opening up internal trade to ensure greater domestic market access for agricultural products.

Our final recommendation is support of technology upgrades and access in rural areas. In order to effectively market their goods, have access to services that ensure safety, and stay abreast of emerging issues and technologies in agriculture, producers must have access to high-speed Internet or broadband Internet service. They, and other rural residents and businesses, must also have access to the reliable cell services that our urban counterparts have.

Thank you, Mr. Chairman and committee members, for this invitation and your time. I look forward to answering any questions you may have.

• (1105)

The Chair: Thank you very much.

We now turn to the Canola Council of Canada and Mr. Innes.

Mr. Brian Innes (Vice-President, Government Relations, Canola Council of Canada): Thank you, Mr. Chairman.

Good morning, members.

Thank you for the invitation to be here today to share the canola industry's recommendations on how the Government of Canada can increase economic growth.

It's a pleasure to be with you here today in Winnipeg, a place rich in canola history. It was here in 1974 that Baldur Stefansson invented the first canola variety. It was an important step in the birth of canola, a crop that's become one of the most valuable sources of income for farmers and a major driver of economic growth here in Canada.

It all started with Canadian innovation. Innovation led to more growth, and the result is a globally competitive industry that supports a quarter of a million Canadian jobs and \$19 billion in economic activity every year.

Today, I'd like to describe how we can support even more growth in urban and rural communities across the country, but first I'd like to explain a bit about the Canola Council of Canada and our industry.

We are a value-chain organization representing the canola industry, including the 43,000 canola growers; the seed developers; the processors, who turn canola seed into oil for humans and meal for livestock; and the exporters who process canola at its destination.

Our industry has a plan to meet the growing appetite in the world for healthy oils and protein. Keep It Coming 2025 is our vision to provide more demand for canola oil, meal and seed, and to meet that demand through sustainable production and increased yields so we can get 26 million tonnes of production by 2025.

While our industry is working hard on achieving these objectives, there are key roles for the Government of Canada to play. Today, I'd like to focus my comments on three recommendations: first, supporting adequate investment in the agricultural policy framework; second, embedding agriculture in the federal government's innovation action plan; and third, implementing free trade agreements and expanding market access.

Our first recommendation is to provide adequate funding for the agricultural policy framework. Said to begin in 2018, planning is already well under way. It's important that we keep funding research, market development, and market access in the way that's worked so well in the current framework. For example, through the AgriMarketing program, we've established canola oil promotion programs in China and Korea. It's helped us grow our annual exports to these markets by about \$850 million per year, and it's enabled us to do things like bring chefs from China and the southern United States out to prairie canola fields to show them where canola comes from. Stable funding for the next agricultural policy framework will enable us to continue innovative research and to continue bringing value to Canada from international markets.

Our second recommendation is to embed canola and agriculture in the innovation action plan. Market pressures are evolving. Climate change is creating opportunities and challenges for agriculture. Innovation is necessary for us to keep turning sun, soil, water, and Canadian know-how into Canadian growth.

As the federal government engages with Canadians on its action plan, there's a clear opportunity to include agriculture. Canola was born from innovation, and our industry's innovation strategy identifies ways the federal government can help encourage that innovation in the future. For example, budget 2017 can invest in federal sciences in emerging areas like genomics and molecular plant breeding. The result will be higher yields, more resilience to challenging weather conditions, and better pest management for things like insects.

Our last recommendation is to implement trade agreements and expand market access. While canola was born here in Winnipeg, we export more than 90% of what we produce to international markets, either as seed or as oil or as meal. Exporting canola free of trade barriers brings more value and more growth here to Canada. In fact, it was two weeks ago today that we achieved stable access for our canola trade with China, a very positive announcement for canola and for Canada. Government and industry efforts achieved this stable access for a \$2-billion market. It shows the importance of these efforts and the importance of continuing to fund them through things like the market access secretariat of Agriculture Canada.

• (1110)

However, we're not done yet. Implementing the Trans-Pacific Partnership would bring even more growth. If we achieve this agreement, it means we could expand our exports and our value-added processing here in Canada. If we don't, we will fall further behind competitors like Australia.

In closing, canola shows how innovation can meet growing international demand and create growth here in Canada. The federal government has a key role to play in supporting the next agricultural policy framework by including agriculture in the innovation action plan, implementing free trade agreements, and supporting more market access.

I thank you for the opportunity, and I look forward to your questions.

The Chair: Thank you, Brian.

We're turning now to Ms. Constant with the Opaskwayak Cree Nation.

Ms.Carolynn Constant (Enhanced Service Delivery Case Worker, Opaskwayak Cree Nation): Good morning.

By way of introduction, the Opaskwayak Cree Nation is a first nations community located six hours north of Winnipeg, Manitoba. The total membership is over 5,000, with over 3,000 on reserve. OCN is located on the north side of the Saskatchewan River, directly across from the town of The Pas. OCN has an original land base of 14,000 acres, with pending treaty land entitlement for an additional 56,000 acres. The first nation has \$40 million in community and business assets, with more than 400 jobs created. The first nation employs nearly 600 people in total and is one of the largest employers in the region.

In terms of social concerns, in comparison of the dependency rate, the town of The Pas had an unemployment rate of 4% during the Tolko era, and the dependency rate for OCN was at 41% of the population. This rate was 10 times greater than the town of The Pas, with only a river separating us. Youth between the ages of zero and 18 years are 43% of the population; or when you expand it to zero to 30 years, 65% of our on-reserve population. Policies need to be made with effective developmental components in mind. The enhanced service delivery model is a good beginning. That's a federal program with Indigenous and Northern Affairs.

With regard to disability, I worked as a welfare administrator for three years and an employment training coordinator for 17 years. We carried out psychological testing on 10 trainees we had selected randomly, at a cost of \$7,000. The purpose of the training was to determine whether there were any learning disabilities within our test group. We discovered that eight out of the 10 people tested had learning disabilities of varying degrees and they had tested below high school level. We wanted to test a greater number of people to determine a more accurate picture of our findings. The psychologist suggested that we select 100 people at random and have them tested, and this would give our findings credibility as well as giving us a more accurate picture of what more could be done in the way of training and education. We could not afford the \$70,000 required to have this done and could not find funding designated for this purpose.

On rationale and values, OCN's human resource development strategy has a very basic mandate, which is that by developing individuals, these individuals can therefore be empowered to not only care well for themselves, but also their families and community. Additionally, by providing as many developmental opportunities as possible, the community and its members will benefit not only educationally and economically, but also become independent and self-sufficient.

In regard to training and educational resources, OCN has developed an innovative training and development program using very successful funding partnerships and linkages both within the first nation and with external funding sources. The annual budget was nearly \$2 million for the first nation. The program utilized as many as four funding sources for one client. The annual budget utilized 11 major funding sources, and all have specific criteria outlines. This format made for a very complex overall program; however, OCN has successfully developed many programs utilizing the criteria from each of the funding sources.

The housing crisis on our first nation is having a very negative effect on our overall population. Incorporating a training element as well as forging funding partnerships, sweat equity in addition to

training opportunities, would greatly help many sectors in the first nations communities.

Also, OCN was selected as one of 10 successful apprenticeship programs in Canada in 2007 by the Canadian Apprenticeship Forum.

In terms of sharing best practices, Indigenous and Northern Affairs Canada has provided a funding program called "Income Security Reform". Opaskwayak Cree Nation shared its employment and training programs and funding formulas with 40 other first nations, primarily in Manitoba. A comprehensive report was provided to INAC outlining each first nation's possible funding sources utilizing the social assistance work opportunities program, WOP, and the aboriginal social assistance recipient employment training agreement, ASARET.

● (1115)

The ministers of Indian affairs and northern development and of human resources development Canada signed a memorandum of understanding in 1990, authorizing the combining of these two funds. The MOU is referred to in the social development manual. However, this has since been changed, by disallowing the funding support for post-secondary education. This was interpreted by the INAC region to include college education under two years.

The other major hurdle is the documentation that is required to implement these programs at the first nations level, which is very complex and time consuming. The first nations human resources cannot sustain a level that is required to take advantage of these opportunities. Also, referring to the income security reform report from OCN, if the formulas could have been applied to each first nation in the MKO area, which is northern Manitoba, it would have provided an additional \$7 million annually to the employment and training budgets from 2007, which would have totalled \$63 million for additional training of 33 first nations.

With regard to industry and employment opportunities, a suggestion was proposed to put together a think tank of service providers at the first nations, provincial, and national levels. This think tank would have been given a mandate to consider the funding resources, economic opportunities, and human resource development in first nations communities.

The Opaskwayak Cree Nation, the Town of The Pas, and the Rural Municipality of Kelsey have formed a tri-council committee to discuss the development of new industries in the region, initiatives that will enhance new and innovative business opportunities, creating employment and economic growth as well. Perhaps a plan could be brought forward for the Tolko mill, mineral exploration, rail, and shipping transportation.

The Province of Manitoba has also entered into discussions to bring all levels of government together to discuss the development of a workforce to coincide with the growth of industry. An example is value added to a resource, such as the fishing resources. There are fish species, specifically the whitefish, being caught which are worth less than what it would cost a producer to ship through the Manitoba Freshwater Fish Marketing Corporation. This is an excellent species of fish. However, the market value is too low. What could be the process to add value to this product before it is shipped out? Right now it can't be shipped out.

Another example is the wild fur industry. Trappers cannot sustain this way of life because of the market value of the raw furs compared to the operating costs to produce them. Again, what could be the process to add value to this product before it's purchased by the raw fur buyers?

In conclusion, I'd like to thank the standing committee for this opportunity to present to all of you. We look forward to future dialogue and positive outcomes that will not only benefit our people, but benefit Canada as well. The demographic projections for the first nations population will be a major factor in our economy, both on-reserve and off-reserve, and with careful planning we'll ensure positive outcomes.

Thank you on behalf of Opaskwayak Cree Nation and the first nations of Manitoba.

• (1120)

The Chair: Thank you very much, Carolynn.

We'll be turning to the Public Service Alliance of Canada, and Ms. Hladun; and also Ms. Eschuk, Union of Canadian Transportation Employees. You're together, I understand.

Go ahead, Ms. Eschuk.

Ms. Teresa Eschuk (Regional Vice-President, Prairies and the North, Union of Canadian Transportation Employees): Thank you for the opportunity to appear before you.

The Public Service Alliance of Canada and its component, the Union of Canadian Transportation Employees, is the union that represents the laid-off workers at the Port of Churchill. We want to share with you how, through privatization of public resources, consecutive federal governments failed a small northern Manitoba community.

I don't know what you know about Churchill, but it's a town of approximately 800 people. Living in this beautiful but isolated community is not always easy. You cannot drive to Churchill. The only way to get in and out is by train or plane. A loaf of bread costs \$6, and a box of Corn Flakes is about \$11. One of our members told us that it was much cheaper for her to pay the \$140 train fare and buy groceries for her family in another town than shop in Churchill.

In the late 1990s, the federal Liberal government decided to privatize the transportation channels that service this community. They sold the Hudson Bay rail line to OmniTRAX, an American-based company that had no vested interest in Canada. As a show of good measure, the government threw in the Port of Churchill, the largest employer there, for a dollar. This was the first time the federal leadership let the people of northern Manitoba down.

Let's fast-forward to 2012. The Canadian Wheat Board, the body that ensured fair distribution of grain through the various Canadian ports, was closed by the federal Conservative government. Instead, big companies were allowed to build their own terminals at ports, and have redirected the shipping of grain through the east and west coasts. The end result is that farmers located in the middle of the country now have increased costs for shipping their grain, and Churchill, Manitoba, has seen a steady decrease in economic activity. This was the second severe blow dealt by the federal leadership that let the people of Churchill down.

This past summer, the people of Churchill were again smacked down when 10% of the population was made unemployed by OmniTRAX.

But this is Canada. When one of our own gets hurt, Canadians rally to help.

• (1125)

Ms. Marianne Hladun (Regional Executive Vice-President, Prairies Region, Public Service Alliance of Canada): Prime Minister Trudeau said:

The federal government's role is to establish a process whereby industry can pitch a project, and Canadians can be reassured that this project is worth the risk... People understand we do need economic growth.

But what happens when the risk doesn't pay off? What is the federal government's role in supporting these communities? Does the federal government, who created the mess through privatization, not have a responsibility to show leadership on a solution?

PSAC and UCTE have been running a Support Our Port campaign to bring awareness to the economic challenges faced by the people of Churchill. Across this country, the media has helped Canadians to understand that this is not a regional issue but a national issue. They watch a small northern community fight for their home largely because of the federal government's privatization of a public resource. They know that if this can happen in Churchill, this can happen anywhere in Canada.

Throughout this campaign we have been asked questions. What's the government doing? What's the process when a federal government initiative, such as privatization of a port, fails? We have made repeated attempts to get this government to meet with us about the economic crisis in Churchill. We were bumped from department to department, minister's office to minister's office, and it wasn't until the media embarrassed the government before an official would speak to us about EI benefits for the affected people in Churchill. Again, it was thanks to the media that a federal cabinet minister finally spoke with us and actually went to see the community.

Minister Bains' recent funding announcement of \$4.6 million into the community is very appreciated, but it's only a small drop in the bucket. This community needs a long-term strategy to help it be economically viable and stimulate growth.

Prime Minister Trudeau has spoken about the challenges of the north. However, unlike his predecessor, after a year in power he has yet to visit. We urge Prime Minister Trudeau to meet the people of Churchill for himself, to see the challenges they face and the economic opportunities that await in this magical community. We recommend that the Port of Churchill become a port authority with a board structure that reflects all the stakeholders. The Canada Marine Act does not specifically provide for aboriginal representation. However, we see it as an absolute necessity in order to be reflective of the community.

As the north opens up, Churchill is strategically placed for safety and security, for tourism and for commercial activities. The federal government must show leadership and return the Port of Churchill to public ownership. You have the power to do that. You can't ignore this. This is a national issue that is not going away.

Thank you for the opportunity to present. We look forward to your questions.

The Chair: Thank you, and thank you to all the presenters.

Turning to the first round of questions, Mr. Grewal, you are first.

Mr. Raj Grewal: Thank you, Mr. Chair, and thank to our witnesses for coming to present today.

My first question is to the senior vice-president of Economic Development Winnipeg Inc. What has been the growth of Winnipeg over the last two years?

Mr. Greg Dandewich: In terms of growth, we have seen some pretty unprecedented growth with respect to population, in particular. A lot of that is driven specifically by the immigration programs that we have. We don't have a lot of interprovincial migration. It's through immigration and refugees who are coming in and family reunification. It has really helped to grow the labour base and the pool, which has basically been able to feed into the various companies that act as the underpinning of our economy.

With that, the economy has shown some growth, but fundamentally we've been trying to figure out if in fact there is a particular objective coming from the federal government with respect to positioning Canada as a good place for foreign direct investment. What we have seen is that there is no trickle-down in terms of being the organizations that really are the first points of contact for any new companies that are either looking at investing in the marketplace—and specifically looking at the Winnipeg region—or companies that are looking to make new investments, as opposed to making investments outside of the country or the community.

Fundamentally, we've been moving in a good direction. We believe in the direction that's been set by the federal government, particularly with respect to growing the economy and changing the narrative in terms of how companies view Canada. It's not just a place to cut, drill, and dig. It's a place that looks at innovation and technology around all our diverse industry sectors, and a lot of that activity exists within the capital regions within those key major communities.

We are enthusiastic, based on the position that the federal government has taken, but we're trying to understand how it is that the first point of contact in dealing with companies, which are the

economic development agencies, can help facilitate those objectives being set at a federal level.

• (1130)

Mr. Raj Grewal: Okay, thank you very much.

Do you have a projected growth rate for this year for the city of Winnipeg itself?

Mr. Greg Dandewich: Right now, the numbers that come in from The Conference Board of Canada, which all our counterparts look at —

Mr. Raj Grewal: Is that for the city or is that for the province?

Mr. Greg Dandewich: They do a metropolitan outlook.

Mr. Raj Grewal: What's that?

Mr. Greg Dandewich: A metropolitan outlook basically takes a look at each of the major cities across Canada in terms of their GDP growth. I haven't seen the latest numbers, but I think it's probably tracking at about 1.8%—

Mr. Raj Grewal: Which is less than the provincial average.

Mr. Greg Dandewich: —which is less than the provincial average.

Mr. Raj Grewal: That's interesting. Thank you.

You spoke about the importance of data. As you know, the first decision of the new government was to reinstate the long-form census. Could you comment on how that's going to help alleviate some of the data concerns that you have?

Mr. Greg Dandewich: Fundamentally, right now, when we take a look at information with respect to the economy, we don't have granular level data at a metropolitan level. Unfortunately, that puts us at a disadvantage, particularly with our competitors in the United States who have very granular information at a metropolitan level.

I suspect that the long-form census will be able to generate more information. I think that, fundamentally, a systemic change needs to take place to understand what type of information is critical for communities to have in order to better position ourselves to be more competitive. Really, that comes from having conversations with organizations such as ourselves and our counterparts across the Consider Canada City Alliance. Because we're working with these companies day in and day out, we see where there are gaps in information.

For Statistics Canada, the long-form census is a great start, but I think a much broader perspective is needed in terms of Statistics Canada looking at portfolios for Innovation, Science and Economic Development and Global Affairs.

We work very closely with Global Affairs directly through the Consider Canada City Alliance. We do two missions a year with the federal government in key international marketplaces to attract foreign direct investment, but we're limited by some of that granular information we really require.

Mr. Raj Grewal: Thank you very much.

Thank you very much for your remarks on the challenges that the town of Churchill faces. I know Minister Bains was here just last week. He announced \$4.6 million. Our government understands that's a very short-term solution focused on creating jobs to try to help alleviate some of the pain.

Something that you mentioned that really stuck out for me was the nationalization of the port. Is there a dollar figure on how that will help in terms of economic activity if the government does make that decision?

Ms. Marianne Hladun: We don't have a dollar figure. The difference with going to a port authority versus having a corporation run it is, of course, there is a profit margin with a corporation. Basically, if it were to be turned into a port authority, it would be governed by a board of directors with federal appointees, provincial appointees, municipal appointees, and hopefully first nations' appointees so that decisions that are made on how the port operates are good for the community. Because the one thing you have to recognize is that the rail line that goes up to the port is the only point of communication. You can't send a snowmobile by airplane. You can't afford to do that, so, in effect, one corporation is holding all the northern communities hostage, and they have no intention of investing and diversifying, or building more storage facilities.

• (1135)

Mr. Raj Grewal: What's the unemployment rate in your area?

Ms. Marianne Hladun: I want to say it was about 14%, I believe, according to the last numbers from Service Canada, and this is recognizing that the community has about 800; and anywhere from 60 to 80, to over 120 are employees of the port.

Mr. Raj Grewal: Sorry, what was the population of the area?

Ms. Marianne Hladun: It's about 800 people in total.

Mr. Raj Grewal: It's 800, not 800,000.

Ms. Marianne Hladun: It is 800 people.

Mr. Raj Grewal: Okay.

Ms. Marianne Hladun: At the time when there was a military base and when the Wheat Board was shipping through the Port of Churchill, the community, I want to say, was about 12,000 to 18,000, so it has dropped down.

The port is their main employer.

Mr. Raj Grewal: So out of the 800, did 120 people used to work at the port?

Ms. Marianne Hladun: In the heydays, when the Wheat Board was operating and shipping, it was upward of 125 of our members. Lately—

Mr. Raj Grewal: Is there no other industry in the area?

Ms. Marianne Hladun: No. There's tourism. Basically, it's a tourism community, or the port.

Mr. Raj Grewal: Okay. Thank you very much.

I'll go to canola. I'd like to hear your comments. The Prime Minister was in China. He got a deal struck on canola. What percentage of exports go to China?

Mr. Brian Innes: Approximately 40% of our canola seed exports go to China, which is worth about \$2 billion per year, so it's a huge market right now, and there's significant opportunity to grow. We know that in China the middle class is demanding healthier oils, and of course, the protein that canola has as well is important to feeding livestock like fish in China. There's a huge opportunity to grow, and getting that stable access really allows our industry to continue investing and capitalizing on that opportunity.

Mr. Raj Grewal: Forty per cent of the market is exported to China, so that's a major percentage. What would the economic impact be of something like China being shut down to us, or trade tariffs being applied? Let's say that this deal didn't happen. Is there any analysis on how much that would cost Canadian farmers?

Mr. Brian Innes: It would have been extremely difficult when we have 40% of our seed.... There isn't another place that would take that much in a short amount of time. Our industry, collectively, contributes about \$19 billion to the economy every year. Certainly, there are other places you can sell some canola, but for that amount of canola in a short amount of time, it's very difficult to replace that demand, so getting a solution was helpful.

The Chair: We'll have to leave it there, Raj. You're well over.

Mr. Raj Grewal: Thank you, Mr. Chair.

The Chair: We have Mr. Aboultaif for seven minutes.

Mr. Ziad Aboultaif: Thank you all very much for your presentations this morning.

I'm going to ask my questions on agriculture. I do believe that one of the saviours of our economy, moving forward, is agriculture. Everybody needs food. I think we do it right, and we have a history of performing on that at different levels. I hear that we need a competitive climate. I hear from Mr. Leitch that a balanced budget is very important. I hear that we need to increase skills and the immigration skills program. It goes on and on. It all sounds good.

I also hear that on canola, our competition—for example, Australia on the Asian side—plays a factor in the strategy in order to be competitive and to continue to move forward in providing our economy with the resources and revenue that we need.

Yesterday we saw a carbon tax. We've seen an expansion of CPP, and an increase in EI, which is a payroll tax. How are all of these going to play a part in this industry maintaining competitiveness? Aren't these roadblocks to it doing so?

I'll ask this question to Mr. Leitch, Mr. Mazier, and Mr. Innes.

• (1140)

Mr. Dan Mazier: You said carbon tax, payroll tax, and CPP?

Mr. Ziad Aboultaif: Yes.

Mr. Dan Mazier: I guess I'll take on the carbon tax one first. It is of great concern, when you consider how much energy it takes and how much agriculture is based on carbon inputs. We rely on fuel, diesel fuel. Nitrogen fertilizer comes from methane gas; that's its main source.

There are technologies out there, and that's why I talked a lot about accessing this technology. Somehow we have to get off this carbon reliance. The technology is there, but to get access to it at the farm level is going to take a lot of money, or some incentives to make sure that it gets down to the farm at the very end of the day.

In Manitoba, an announcement came out in the news a couple of days ago. Manitoba has the luxury of sitting back and learning from other provinces like B.C., Alberta, Ontario, and Quebec. In Manitoba, we're actually in a very unique position and probably a pretty good position, because we have a choice.

Our provincial government is engaging agriculture, engaging KAP to see what is going to be included in this conversation, as far as agriculture goes, and what's going to be excluded.

I think one of the major concerns is that we're not at the table and not being talked to about how this is going to impact us. Our members are very concerned about what this might mean to their bottom line, because we do rely on a lot of carbon to grow our crops.

There's the whole conversation around the actual balance, and whether growing certain crops emits more carbon. No one can talk about that better than producers themselves. We need to be at the table. We need to be addressing that.

How do we move forward? As long as we're talking about it with governments, I think we'll come to a solution. It may not be palatable. Some people are going to be very mad and concerned about it, but I think it's the reality. I think farmers have to deal with the reality every growing season. So that's what we're going to do. We're going to work with governments to try to figure out the best system for all of this.

We have to make sure, though, that we remain competitive in this whole system that we're talking about. Just because Canada is standing there saying, "We're going to be the best Boy Scout in all the world", meanwhile, China could be importing goods that are high-carbon emitters. We have to look at that, too. That's why trade is so important.

Mr. Brian Innes: I'd just like to make a brief comment to follow up.

Certainly Dan's comments about being competitive internationally are very critical to canola and to exporting 90% of what we produce. One comment I would make, which Dan alluded to, is that agriculture has actually reduced its greenhouse gas emissions significantly over time.

If you look at Canola, for example, over the 20-year period from 1986 to 2006, it reduced the amount of greenhouse gas emissions per ton of canola by 65%. Every year farmers have proven that they're really able to be better stewards of the land by adopting innovation. We are certainly positive that we can adapt in the future as well.

Mr. Don Leitch: I have a couple of points, just to build on what my colleagues have said. In agriculture, when we are exporting internationally, we are price-takers. We don't set the price. We know the international price rises and fluctuates, so when input costs rise, we know who gets stuck in the middle—the producers these gentlemen represent. That's just the reality. Let's not forget that. Mr.

Easter certainly knows the trials and tribulations of the agricultural sector.

The point was made that we have to be competitive, and a huge, massive neighbour to the south of us is not moving all that fast on carbon pricing. Depending on what happens, we could very easily find that we are very offside with that. There is the threat of the Chinese bringing carbon-heavy imports into the country, so unless we somehow figure out a system to put a carbon tax on imports as they come across, we are putting our own Canadian companies at a disadvantage.

We already have a lot of companies—and I'll speak from the Manitoba Business Council's perspective—that are very significant employers here. There are thousands of employers in Manitoba in the manufacturing sector and the value-added sector that export internationally, and significantly to the U.S. They already have plants in the U.S., for a couple of reasons.

One is the Buy American program, depending on what you are selling. If American federal money is going into a public institution—whether it's transit, a university, or whatever—and you are selling manufactured goods, whether it's a bus or lighting equipment, you have to have American content, so they've had to put plants in there. Many of those plants are already more competitive and more efficient, when you measure all the input costs, which oftentimes include the taxes, fees, and charges we put on them.

That is why we say that we have to be on par with that. If we get too far out of whack, what will happen is that those companies will continue to supply the American market out of American plants, but if something gives, it will be the employees here. At the end of the day, the company will continue, but the jobs here will disappear. That's the challenge of finding the right balance. Conversation and discussion are important and absolutely critical.

● (1145)

The Chair: Ziad, we are over, but I know you have a second quick question.

Mr. Ziad Aboultaif: On internal trade, does Manitoba do enough with the other provinces in terms of agriculture trade or trade with other industries?

Mr. Don Leitch: I'll speak to the internal trade agreement.

The provincial premiers have not kept pace with their own commitments for establishing and renewing the internal trade agreement across the country. The biggest impediment, from our perspective, on the internal trade agreement is all the.... We don't have tariffs, but we have all of these procurement rules: if you're not a resident here, if you're not a resident there. We may lose a little from some contracts, but we are going to gain significantly as a province and as a country. I think the provincial premiers, collectively, have to pick up the pace and up the game to meet the objectives they set.

We should have had the new, completed, ratified internal trade agreement in place in April of this year, and they are still probably a year or 18 months away from that. That's the challenge.

Mr. Ziad Aboultaif: Thank you.

Mr. Don Leitch: The federal government should continue to put pressure on premiers to deliver, because it is in your interests nationally as well.

The Chair: Thank you, Don.

Ms. Ashton, you have seven minutes.

Ms. Niki Ashton: Thank you.

Thank you to all of our witnesses today.

I want to say a particular thank you to Ms. Constant, Ms. Hladun, and Ms. Eschuk for their presentations. Here, you may be only three individuals, but you are speaking on behalf of thousands of people who live north of Winnipeg, people who are going through very difficult times.

I want to address my questions first to PSAC and UCTE, and then to Ms. Constant from OCN.

First, Ms. Hladun and Ms. Eschuk, you shared a very emotionally charged presentation, and I'm sure the people of Churchill would be so proud of the voice you've given them today. Obviously, Winnipeg is very far for many people to come, so you've really spoken to their anxiety, frustration, and hopes right now, particularly on the focus of federal leadership.

I wonder if you could share some thoughts in terms of, first, how important Churchill and the port are to northern Manitoba beyond the community of Churchill, but also to Canada, and second, how much experience you've had in working to establish public ownership, particularly the example of a port authority, and how much of a realistic alternative this is, not just for Churchill but for Canada.

Ms. Teresa Eschuk: I'll start by saying that the Port of Churchill is the only deepwater port in the Arctic. It's very strategically placed. Considering all the activity that is now going on in the north, it is very important for security reasons. We have the Coast Guard up there all the time and it's becoming more and more visible. Basically we feel that there should be a Coast Guard base in the Port of Churchill.

Also, DND at one time, as another speaker mentioned, was up there. When you're talking about the sovereignty of the north, the Port of Churchill is critical to that.

As I said earlier in my talk, people are having to go to other towns, and that one little rail line that OmniTRAX is using to hold us hostage is critical. They've cut freight down to once a week. Their shelves are empty of food. That is not acceptable in Canada. It does have an impact. That train also supplies other northern communities with their food, as Marianne mentioned, with snowmobiles, and with things for all aspects of living. That is so important. That is the critical part.

Other witnesses talked about grain and canola. Where are they going to ship that? The port is critical to shipping that. Their shipments go all over Europe to take that commodity there.

I will now turn it over to my sister.

● (1150)

Ms. Marianne Hladun: I have just a couple of things. The rail line does go through several northern communities. It goes to Churchill, but from that point, supplies get on barges and go to all northern communities along the bay in Nunavut. There are communities south of Churchill and north of Churchill that rely on having a rail line that is maintained. I will tell you that everyone in the community will say that OmniTRAX has not invested any money in infrastructure. The windows are broken out. I don't think it's seen a lick of paint since they took over in the 1990s. There have been no improvements, no technology put into it. They could easily add capacity by adding storage facilities so that as soon as the bay is open and cargo ships can get in, the grain is already on site. They could be unloading railcars before the ice in the the bay is open.

You asked about establishing a port authority. It may not be something those of us in the Prairies are familiar with. It's a model similar to airport authorities. The federal government took airports from Transport Canada and made them into airport authorities. They are run by a board of the community. It's an appointed board. They have access to federal infrastructure money. They are accountable to Canadians through their reporting process.

We have not been able to get any information out of OmniTRAX. If they won't disclose it, we can't get the information. They say they've upgraded the rail line. We don't see it. They say they've upgraded the port. We don't see it, but, as Canadians, we have no access to that information. Making it into a port authority similar to an airport authority model would mean that people in those communities would be able to have a say as to how that's going to operate in the best way for their interests in the communities in the north.

Ms. Niki Ashton: Thank you for that.

Ms. Constant, thank you for the very clear information you gave on behalf of OCN. I also acknowledge that many first nations share similar challenges as well.

One of the concerns I have heard from leaders is the lack of federal action to address the post-secondary student support, particularly sponsorship for post-secondary education for first nations peoples. I wonder if you could speak to how much of a barrier that is and what you think should be done by the federal government when it comes to post-secondary education for first nations.

Ms. Carolyne Constant: Our first nations post-secondary students need a lot of support, and not just for tuition and the training allowance. That's not enough to sustain them in the cities.

I have three university graduates, and I do not have beautiful furniture or a new car because we had to support them, which is good, because I have three teachers now and two with master's degrees.

You need to loosen up on the criteria, like the social program. It's possible that many of them may have been former social assistance recipients. That social assistance can be transferred even if they leave the community. There is no limit on the length of the support from the social program, and there is no limit on the numbers of people to be supported using social dollars, combined with training dollars, and combined with post-secondary dollars. The policies in place right now are too restrictive for post-secondary education, especially when they slam the door on all post-secondary, meaning the 10-month courses or the under two-year courses. There is no use for that fund anymore through the social program.

The other thing is that it's an investment. Once a first nation can invest in its people, then those people will become self-sufficient. They come back to the community, they raise the bar for everybody else, and they come back and give back.

Right now there aren't enough people being supported and being funded, and our youth population is so great. Even with a first nation like OCN, the social problems are so great, and our youth can't see a future for themselves with the environment they're in right now.

• (1155)

The Chair: Thank you.

We'll have to end that round there.

Mr. MacKinnon, you have five minutes.

[*Translation*]

Mr. Steven MacKinnon: Thank you, Mr. Chair.

[*English*]

Thank you, all, for being here.

It's wonderful to be in Winnipeg and in Manitoba. I'm struck with how useful and relevant it is for parliamentarians to get across the country to learn more about the kinds of stories that you, Ms. Constant, tell us about communities, and in some cases remote communities. There is also the situation in Churchill, which is of ongoing concern.

I'm going to reprise some questions that I asked in the first round, because to be honest, Mr. Chairman, I think that as we go across the country we can now detect a real theme of a tremendous mismatch between jobs that are available in Canada and people who are looking for jobs. We hear stories from all over the country of under-

employed and under-educated indigenous Canadians, immigrant populations, and people with credentials but no professional certification. Then we hear from the employer community or the business community about skills that are required in order to innovate, and to prosper, and to expand. We hear this in the agricultural communities, and certainly in my province of Quebec. The temporary foreign worker debate continues to rage.

Frankly, it's been a couple of decades since the federal government devolved labour market monies to the provinces, and I'm beginning to wonder whether this entire philosophy needs to be reviewed. We met with the bank economists last week, and it's pretty clear that we have a ceiling on our growth as a country because of demographics. We have an aging workforce.

To hear that within our population there are people who struggle to get the right training, or the relevant training, is a source of immense frustration to us on this side, as it is to people throughout the House of Commons.

I'm going to direct my question to Mr. Dandewich and Mr. Leitch, but anyone else who would care to comment would be most welcome.

How do we get at this conundrum? This seems to me to be an emerging crisis in the country and one that we need to address and address urgently.

Mr. Greg Dandewich: Yes, it is a conundrum. There's no question about that. As an economic development agency, as I previously indicated, we're meeting with companies on a regular basis. Of course, Don's group are members of the most senior companies that are part of the Manitoba business council.

What we hear is that everything revolves around talent. Everything revolves around skill. The issue is that when you start to reach a saturation point with respect to where the available skilled labour lies, companies look critically at what their future investments will be in the market. When that happens, they start to look at other operations that they have in the United States or other countries.

What we're trying to do as an organization is understand where the gaps exist. I'll identify one particular industry sector, and that's the ICT sector. It is across the nation. It is a massive challenge. How does the temporary foreign worker program potentially act as a bridge in order to be able to provide some of the skill sets that are required for that particular industry sector? Our job is to aggregate the expertise with post-secondaries, with industry, and with research institutes to try and figure out how you establish an appropriate pipeline, so that when we are working with existing companies there's a recognition that there's a pipeline of skills that can come through the system. The challenge is that the volume of labour that's in the marketplace does not necessarily match what's required by the companies in the market.

I'll go back to the information piece. What's critical is to really understand where those gaps exist. You can have anecdotal information, and you can have evidence-based information.

• (1200)

Mr. Steven MacKinnon: Can I just stop you there and ask, would an organization like yours, for example, work with community colleges, the University of Manitoba, and The University of Winnipeg, and say, "Look, here's where we're falling down"? Is that the kind of thing that goes on?

Mr. Greg Dandewich: Absolutely. When we bring a collection of people around the table, it is all those different players talking about talent. It's not about where we are with steady state. It's where we're going to make sure we can identify that pipeline, so it is working with the post-secondaries. It's critical.

You have to do that in line with respect to what the industry is looking for. What you have is this balance between quantitative and qualitative, and somewhere in the middle gives you the sense of where the real challenge exists.

Fundamentally, if you take a look at the province of Manitoba, we grow through immigration, as I indicated before. How do you ensure that the skill sets that are coming in are reflective of what's required by the industry? When I talk about information, evidence-based information allows companies and it allows jurisdictions to make good decisions in how they can perpetuate the need for skilled labour in the key sectors that act as the underpinning of our economy.

This is an ongoing conversation with the post-secondaries at the provincial level and at the federal level because of the oversight they have with immigration and being able to ensure that there is good dialogue taking place with the individuals who are consistently on the ground working with companies to say, "You know what, I don't know if I can make another \$30-million investment because I don't think you have the skilled pool here over the next 10 years."

Steady state is where you start, but it's really about what the pipeline looks like. It includes a variety of different constituents, including provincial and federal governments.

I don't know what the answer is. It's a challenge, but you need to be able to understand what that challenge looks like from both quantitative and qualitative...you blend it together. Then you can start to identify how you best move forward.

The Chair: To Dan, I think you wanted in. We'll give you 30 seconds if you could, and then we'll have to turn to Mr. Liepert.

Mr. Dan Mazier: Okay. I think part of the challenge is this. I farm out in the Brandon area, two hours west of here, and we have Assiniboine Community College. They have trades there, and what I couldn't get over, especially during the boom from 2012 to 2014, was how the trades were full. There were people lined up to get into school, to try to get their trades, to get their apprenticeships, and to get working in the workforce. They could not get into school. Yet the workforce and everybody in industry were screaming for skilled people. Where's the barrier?

I went back and I asked the community college, why are there so many barriers? Why don't you open up an empty school, or an empty industry place, and get the trades going, like welders, for heaven's

sake. It doesn't take rocket science. You're talking about primary types of skills. In agriculture, we're full.

I don't know where the breakdown is. Identify where there's a need, get those institutions up to speed, and get them training.

We have people screaming from the north. There are skills that are needed up there to live. How come they're not getting educated? Why not? We need an infrastructure to support that as well, and that's why we talk about digital infrastructure. If we're not going to move away from our rural areas, we need that fundamental support and that backbone to support Canada in 2016.

• (1205)

The Chair: Thank you.

Mr. Liepert.

Mr. Ron Liepert: Thank you all for being here.

Like Mr. MacKinnon, I'm going to try to focus on a couple of the same questions that I asked the previous panel. As I said earlier, as a Conservative I'm sure it's no surprise to any of you that our belief is that it's the private sector and not government that will drive the economy and create jobs.

One thing I'm seeing happening in my province, as an Alberta member of Parliament—and I don't know if it's to the same extent here—is "piling on". Whether it's federally or provincially, you have carbon taxes coming. In our province, we have an increase in the minimum wage. We have municipalities doing things like putting a head tax on feedlot operators. There's only one taxpayer paying for all of these things.

First of all, I'd like to get a bit of a response from the two of you. I don't know if the farming community would like to make a comment on this, as well. I think there's been a lack of recognition across the country on what the energy industry has meant to this country for our GDP. It's somehow always associated with the production end of it and what Alberta and Saskatchewan are going through. I believe that every part of the country is, in one way or another, feeling the effects of low commodity prices and the lack of ability to get product to market.

I'd like to get your comments on how it's affecting Manitoba and the manufacturing sector in your province. That's what I'm asking.

Mr. Don Leitch: What I would like to say is that in Manitoba we have benefited significantly from the Alberta energy sector. We are experiencing significant impacts right now from the Alberta energy sector. This is a sector that has driven a lot of inward investment. It has driven investment in facilities in every other province. We have manufacturers here. We have truckers here who have done enormous volumes of business, and that has dropped off dramatically.

I'll give you a statistic I picked up while reading *The Globe and Mail*. They were interviewing the Premier of New Brunswick, who said that either 12% or 14% of the declared personal income in his province in the previous year was attributable to incomes earned in the oil fields in Alberta. We know that happens in every province, and it's significant. When that sector suffers in Alberta, then the country suffers and every provincial jurisdiction suffers.

As a business council we have met with various industry groups and sectors from Alberta coming across the country. We are supportive of infrastructure investments, and those include roads, highways, airports, and pipelines. We do believe you have to get commodities to market. We have members who have colleagues on the west coast who say, "We don't want a pipeline crossing here, it's bad, but we'd like to have more rail expanded capacity. We'll haul your lumber. We'll haul your coal. We'll haul your grain. We'll run it through our ports, but we don't want a pipeline." To us, national infrastructure is national infrastructure. We have to do it on an environmentally conscious basis and everything else, but we believe we have to work together to provide greater market access for our products. That's part of the answer.

In terms of piling on, I talked about the collective impact of CPP and EI. Some provinces, Manitoba in particular, have a provincial payroll tax on top. That all compromises our competitive ability and it just squeezes and squeezes. My opening comment was that we're a trading province. We really are a trading province. We wouldn't have some of the companies here, such as Richardson International, if we weren't. It's a massive grain-trading company headquartered here. If they weren't trading internationally, then we wouldn't have the thousand employees in their head office here, and we wouldn't have the thousands of employees across the west. That goes for every other agricultural outfit.

There's a large hog industry here that trades internationally. When they get level after level, and requirement after requirement, it just compromises the industry. All we ask is to have a conversation between governments and stakeholders. Let's have a conversation between levels of government to make sure you're not overdoing it. That's part of the problem.

● (1210)

Mr. Brian Innes: I would like to make a brief comment, just to build on what you said about being export based. We in the food sector are highly regulated, whether it's with canola oil processing from James Richardson International, which bottles canola oil and makes margarine, or with processing plants in Manitoba here, that crush the canola seed to make oil for humans and meal for livestock. One of the single biggest things we see is that as an export-based sector our regulators are not just regulating for Canada, but it's very important that they interface with their counterparts internationally.

The question I'd ask the committee is, are the health needs and the food safety needs of those 100 kilometres south of here any different from those of us sitting around the table? We have two distinctly different food safety systems in the U.S. and Canada.

From our perspective, it's really important not just to prevent the piling on, but to ensure that regulations are risk appropriate and do what they're supposed to do, and that our regulators interface with their international counterparts to align those where possible.

Mr. Ron Liepert: Did you want to make any comment, Mr. Dandewich?

Mr. Greg Dandewich: Yes, absolutely. It's all about being competitive. We deal with companies day in, day out that are looking to either expand their operations here or move their expansion somewhere else. There are companies that are comparing us to other jurisdictions, particularly in the United States, but also internationally.

When we start to talk about what is the underpinning for our economy, we take a look at where we are as a city, where we are as a province, and where we are as a federal jurisdiction. When you start to take a look at all the different things that are being put on as an overlay, then it becomes extremely difficult. It has certainly been displayed at the federal level that we want to be able to heighten awareness of Canada as a good place to invest in. There have been some fabulous things done for corporate income tax and the seamless ability for companies to set up operations. When you're trying to compete internationally, there is a plethora of issues that don't really address the opportunity for us to be more competitive. I'm talking specifically down from a municipal level. Once again, we're the first points of contact, and we marshal them through the process so they can make their decisions.

It's all about competition. When I say competition, I'm not talking about incentives. I'm talking about creating the right economic base and making sure that all the different pieces fit, so we can get out into the international marketplace and make sure we can put forward a good value proposition to compete on a level playing field. That's become a bit of a challenge for us. It's about collaboration. It's about understanding where everybody needs to participate. We as an organization are limited in that scope, because we're the ones who take the tools that are being presented, or the economic environments that are being presented, and then sit across the boardroom table to negotiate expansions or attract opportunities.

The Chair: We'll turn to you, Ms. Hladun, on this question as well.

Ms. Marianne Hladun: Thank you. I know your question was directed over there, but in light of some of their comments, I wanted to mention one thing. One of the major shippers through the Port of Churchill was James Richardson International, JRI. We believe that OmniTRAX was charging an additional \$3 per tonne surcharge to anyone to ship through the Port of Churchill. That was an overall surcharge on anything that went through. That is why we believe that JRI did not sign any contracts to ship grain through Churchill, and that is why our workers after less than two months for some of them to be back on the job were laid off when the grain season was closed and they could not get contracts.

Had it been a port authority where profit was not a factor, we believe the Port of Churchill could be a major player in being competitive and opening up those other waterways.

The Chair: Okay, before I turn to you, while we're on Churchill, you also presented us with a second paper that wasn't read out, and I want to ask you a question on this.

In the requirements for a port to be port authority, there are two areas that the Port of Churchill doesn't meet. One is having diversified traffic and the other is being financially self-sufficient. You make this point in the paper. You said that one could make the point that these conditions are not currently met, but they could be met if the Government of Canada, Manitoba, and local stakeholders were committed to the port.

You also make the point, and it has been made here before, that it's the only Arctic deepwater port, and it could be the best port location for the Canadian Coast Guard and the Canadian Navy as the north opens up more.

How would you see that happening with those stakeholders, local, Manitoba, and Canada? How would you see them committing to the port, in what sense and in what way?

• (1215)

Ms. Marianne Hladun: I think that through the establishment of a port authority, one of the most critical pieces is the makeup of the board, because I am not going to speak for the local residents of Churchill, just as I'm not going to speak for the indigenous communities that are affected by the current corporatization of the port. Putting it into the federal realm allows the community to determine its own fate.

I have to back up. I'm from Canora, Saskatchewan, which is right on the rail line. My dad shipped grain to Churchill, which is 1,100 kilometres away. Now, if he was not retired, he would be shipping 3,800 kilometres on his own dime. This has been a critical port since the 1920s when it was built. We believe if the people who were operating the port had the authority to be able to look at other commodities and other industries, then it could be economically self-sufficient. It could be diversified. Is there an opportunity for the military to come back? Research is huge. Parks Canada is doing some significant research on the permafrost and the environment. If you're talking about clean economies, then shipping through this port is a lot greener than going through other ports.

With the right group working together—local community, province, and federal—we believe all of these conditions can easily be met as they were back in the 1970s, and in the 1920s when the port was built.

The Chair: Okay, thank you. That's certainly something for us and others to think about.

Ms. O'Connell, five minutes, and then we'll have to draw that to a close.

Ms. Jennifer O'Connell: Thanks, Mr. Chair.

My first question is to Mr. Mazier. We've heard this idea of support for family farm transfers in our pre-budget consultations already. Any type of national change might have unintended consequences. I fully support this idea of ensuring that future

generations can take over the farming business. Where I'm from, in the GTA, the biggest problem we face with the loosening of regulations around farms and farming is that younger generations are not interested in farming, and it's not viable for them. The family might transfer the property, but then they sell it to a land developer for millions and millions of dollars because in the GTA the housing market is absolutely huge, and there's a land shortage.

In trying to deal with the objectives that you and others have raised, how do we do that while ensuring that the land being transferred is truly used to keep farming going versus it being a tax break to then sell it or no longer farm it, whether it's in the GTA or in other provinces that might have other needs or barriers for continued farming?

Mr. Dan Mazier: One of these resolutions came from Manitoba. It was from a senior. With the aging population, we're seeing siblings who started farming 30 years ago, and they have a younger sibling who wants to take over the family farm. The younger sibling was in a different job and came back to the farm at 30 years old. That sibling wants to take over from the oldest sibling, but can't. It's possible to buy it from the parents, and there's a hand down from there. The sibling can be actively farming right beside a brother or sister, but can't take over the farm with that break. It has to be parent to child and not sibling to sibling. If they are actively farming, and that's the caveat, then they should be viewed as the same thing, so it's that back to that family farm. I guess that has changed, right? The laws were made back in the fifties and sixties when there were a lot more families and smaller type farms. Mechanization has brought us huge operations, but the family.... Now it's sons-in-law and people who have never even.... They have married into the family as husband and the wife. The daughter and the son-in-law want to take it over because they're part of the farm.

That is what we're talking about, with the true family entity. That's why in my notes I was maintaining that family type of entity.

We've always been criticized, you know, because the corporate farms are not family farms, but I think 90% of the farms in Canada are family owned.

• (1220)

Ms. Jennifer O'Connell: Just to summarize, your point is that it's not an opening up altogether, and so those protections are there. It's the opening up of the definition of "family", essentially?

Mr. Dan Mazier: Correct.

Ms. Jennifer O'Connell: Thank you.

Part of my next question has been answered. Are you able to quantify the very real and positive impacts, and not only for those 800 people losing directly in the community with the port? When I heard you say things like grocery stores are getting empty and about the price and the cost of groceries, I think that if my colleague, Robert-Falcon Ouellette, who is also on the committee, were here, that's something he'd be raising and be deeply concerned about. Can you quantify how those other communities could be connected? Whether it's groceries or businesses, do you have any statistical information on how many people could be reached if this port was...?

Ms. Teresa Eschuk: We don't have the numbers. It's something we have on our list to do, but we haven't gotten to that yet.

Ms. Jennifer O'Connell: Sure, fair enough.

Ms. Teresa Eschuk: I do know that the port does reach the arms of the north. If you want to look at all the communities up there that it could service, then I would say it's the majority of them. Does that help?

Ms. Jennifer O'Connell: Yes, that's fair enough. Like I said, a lot of this question was somewhat answered in response to Mr. Easter's question about the full diversification of it.

Ms. Teresa Eschuk: The security of the north needs to be looked at. I want to push that they do need a Coast Guard base there. I hope you'll make it a separate entity, but that's another argument. I think it's very strategic that this committee look at the sovereignty of the north, the security issues, and who it services, because that is the bigger picture of the Port of Churchill.

I also want to mention that our campaign was not geared around just our workers who were laid off. It was the community as a whole and the outreach from there.

Ms. Marianne Hladun: I'll just add one thing. When you are quantifying the numbers or the people affected by this, if you've not had an opportunity to go up to northern Manitoba and to be in the northern communities, the reality is that they don't have any other options. For 30 people in a small community on the edge of Nunavut on the bay, that is their only point of entry, other than flying stuff in. For 20 people in Winnipeg, we can quantify the number. I think you have to also acknowledge that they have no other options. At this point, they're being held captive by a corporation, for all intents and purposes, and everyone is saying it is not a good corporate partner. They've demonstrated that with us at the bargaining table. They're demonstrating that by, literally, giving no notice to the community that rail service was being shut down, by laying off the workers literally with 20 minutes' notice to the union—we had no opportunity to get there to be with our members when they received the news—and by not speaking to the community and not listening to the community.

Literally, the grocery stores are empty. That is the point of entry for essentials. I know your government does have a northern food strategy and has talked about it. The actions of this one corporation have put this back up on the priority list.

•(1225)

The Chair: Mr. Mazer wanted to add a point.

I've been in Churchill. It's interesting just to pull it up on your iPad and see how far it is from here and how big that region is. Even

when you've been there and you go and look at it now, it's interesting.

Mr. Mazier.

Mr. Dan Mazier: It's quite astounding, that's for sure.

This is a point, as far as the cost to Canadians. For agricultural commodities to be grown on the prairies, it's been estimated that about 30% of costs are to transportation. By the time I grow it on my farm and get it to port, for every dollar, approximately 30% of that cost is towards transportation. That makes us less competitive.

When you start shutting down ports, I like your comparison to how many more kilometres.... That's one of our biggest disadvantages, especially in Manitoba. We're landlocked, so we're very reliant on exports to the U.S. We can get to Minnesota.

The other thing is that when we had the grain debacle in 2013-14, there have been some estimates that it cost the Canadian economy \$7 billion. I don't know how you quantify that.

We're being asked how many more dollars we can generate out of that. There was the whole infrastructure.... Those were planned. Those are known railways. CN and CP basically ripped \$7 billion out of our economy that year. We didn't need it at that point in time.

Those are the things to consider when we talk about port authorities and giving Canadians the opportunity to develop. We need that federal leadership.

The Chair: Ms. Constant.

Ms.Carolynn Constant: On the empty shelves, I travelled around up north for a year and a half. Here, a four-litre jug of milk is nearly \$5. Well, a four-litre jug of milk is nearly \$15 up north.

I mean, in these remote communities, even if the shelves were full, they still couldn't afford it.

The Chair: Okay, thank you.

I have one question that never came up, and maybe, Greg, it might go to you, on Western Economic Diversification. Nobody mentioned their role.

We did have meetings with all of the federal economic development agencies across Canada from each province. Strangely, when we asked them the question on what new resources they need, most said they didn't need any. I think they were wrong on that; they were just shy to ask, I guess.

What's your view on WD? How could it be improved? Does it need to be improved? Is it doing its job?

Mr. Greg Dandewich: I would say that it absolutely needs to be improved, and I'll put it within this particular context. As for the regional development authorities across Canada, that process is broken, from our perspective. There is no consistency in terms of what happens in western Canada with Western Economic Diversification Canada, what happens on the east coast to ACOA, and what happens with respect to FedDev. I think it's broken.

We used to have a fairly good relationship with WD in terms of partnering with them on a variety of different activities, and as an organization I would suggest that we probably haven't been that active with them for the last 10 years. It's an issue of clarity. What is the process? What are the programs that have been identified so that economic development agencies and jurisdictions can tap into those resources? When we speak with different individuals who are part of, in this instance, Western Economic Diversification Canada, we never get a clear understanding of what the requirements are for agencies such as ours in order to be able to qualify for certain types of support, which are critically important for us.

There are federal objectives that need to trickle down in terms of giving agencies on the ground the capacity to deliver on federal economic policy objectives, and we can't because we don't have the resources to do that. Our typical resource structure has been through the regional development authorities, yet when I talk to my colleagues from the Halifax Partnership or from Invest Toronto, they're dealing with a completely separate set of rules and allocation of resources.

The comments that we have received were, "Well, that's the way we do it in the west, and that's the way they do it in the east." I said, "Hang on a second here. Is this not a federal program that has been designed to create greater capacity at the local and regional levels in order to execute economic development, thereby creating greater prosperity for the country? If it is, then why is there such a great discrepancy in terms of how programs within the regional development authorities are designed? What are the criteria that have been set?" It's extremely frustrating, to the extent that we were dealing with a variety of industry associations and organizations that are in the same situation. There isn't that clarity, and so what ends up happening is it becomes dismissed as a valuable asset supporting regional and local economic development.

I think it needs to have a review. I think there needs to be a better understanding of how the federal government looks at this from a national perspective, and I think there needs to be a conversation with the organizations that it was set up to support, because that level of dialogue, certainly from our experience, has not taken place.

• (1230)

The Chair: Okay. I now have Mr. Leitch and Ms. Constant. Then, we'll have to close.

Mr. Don Leitch: I'll be very quick.

I support Greg's comments. I spent 12 years as a provincial deputy minister here in Manitoba. I can tell you that WD used to be the go-to place in all dealings with the federal government. They were empowered to be the window, the door, through which we could interact. The utility to the Government of Canada that WD can provide is that western perspective, that western lens. When you have to go to half a dozen places in Ottawa and you get bounced around, as someone said, it doesn't work. They worked very closely with the provincial ministers and the provincial members out of the provinces. They did it in Saskatchewan as they did in Alberta and in B.C. That system worked extremely well. I think you do have to have some national requirements, but something has gone amiss. I'm not sure exactly what it is, but they have to be empowered to be your collective asset in the provinces, because we do have some

differences. We do have some distinctions. They can interpret that for Ottawa. Something has just gone amiss, and I think a fundamental rethink is essential.

The Chair: Thank you very much for that.

Ms. Constant, your arm nearly hit the ceiling when we mentioned WD.

Ms. Carolynn Constant: I just want to make a comment. As far as the elected representatives, their deputy ministers, and their advisers, their hearts are in the right place, but then when it trickles down to the bureaucrats who deliver the programs and make the decisions, that's what happens. We've had a lot of negative experiences from that, so we could take a look at how your bureaucrats interpret an application of the policies that are sent down.

Appointees and the people who made up...should be stakeholders for western diversification. Maybe, if it's not working, it should be people who have a direct interest or a strong interest in the west.

The Chair: With that, I think we've had a fairly healthy discussion.

Thank you all for your presentations and your efforts in coming here today. We will be tabling a report in Parliament at the end of November, early December.

I thank each and every one of you for coming. We will break for seven or eight minutes and go to open mike.

The meeting is suspended.

• (1230)

(Pause)

• (1240)

The Chair: We'll start with Mr. Moist. The floor is yours for three minutes.

• (1245)

Mr. Paul Moist (As an Individual): Thank you, Mr. Chairman.

My name is Paul Moist. I've been a CUPE member for 40 years. I am recently retired, and I commend to you one of your 400 written submissions that came from CUPE National in August.

It talks about three themes in budget 2017. The themes are diversifying, innovating, and making a more sustainable Canadian economy; public spending, improved public services, and a fairer tax system; and quality jobs and employment protections.

We commend your moves on EI to date, but there is much more that should be done.

Budget 2017 should also eliminate, in our view, PPP Canada. You shouldn't be giving incentives toward so-called public-private partnerships. The \$1.25 billion in there should go to the building Canada fund. Manitoba is the only jurisdiction in Canada that has PPP accountability and transparency legislation. The federal government should look at that, and budget 2017 might make that indication.

CUPE's submission talks about the multiplier effects of investment in early childhood education. For every dollar you invest, two dollars in benefits will circulate in the economy.

In addition to a new health accord, we say that federal leadership is needed for a national pharmacare plan. It won't happen without federal leadership, and we could bring costs down for Canadians.

With tax fairness and reform, if federal revenues today were the same percentage of Canadian GDP as they were 50 years ago, then you'd have \$40 billion more to allocate to the citizens of Canada. We know people don't want to talk about taxes, but the revenue derived by the federal government is at its lowest mark in 50 years.

As my last point, I want to thank the earlier questioners who asked about labour market devolution. We were the only G7, and probably the only G20 country, devolving labour force development to regional or provincial entities in a time of rampant globalization. It made no sense in a policy framework. The employers across Canada that I dealt with at CUPE for decades all have the same issues. We have devolved labour force development, and the results have been not just mixed, they've been horrific.

Budget 2017 could strike a task force that should include organized labour to talk about a labour force strategy for the 21st century for Canada.

Thank you, Mr. Chairman.

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

We will turn to Ms. Taylor Anne Livingston.

Ms. Taylor Anne Livingston (As an Individual): Good morning, everyone.

Thank you, first of all, for the opportunity to speak here today.

My name is Taylor Livingston, and I am a student who is part of the University of Manitoba chapter of Engineers Without Borders Canada.

Engineers Without Borders Canada is an NGO that invests in people and ventures to create a thriving and sustainable world. We have a community of 40 university and professional chapters, and 2,500 active members. We provide seed funding, talent, and mentorship to social enterprises throughout sub-Saharan Africa.

I'm speaking to you today because the Government of Canada has committed to restoring and renewing international assistance to refocus on the poorest and most vulnerable people, particularly on women and girls. Canada has already taken steps to actively re-engage on the world stage.

These announcements are welcome, but Canada's recent levels of development assistance are the lowest for any modern Canadian prime minister, and slight in comparison to our G7 counterparts. They impair our ability to implement the 2030 agenda for sustainable development.

In budget 2017 I'd like to ask that Canada commit to predictable increases to the international assistance envelope of 10% annually to the end of the 42nd Parliament, with a publicly available timetable to double the envelope by 2023 to ensure Canada can deliver on implementation of the 2030 sustainable development agenda.

Making a strong ODA commitment aligns with the ministerial mandate, and it is a decisive stepping stone toward early progress on the sustainable development goals.

Thank you for your time.

• (1250)

The Chair: Thank you very much, Taylor.

Mr. Josh Levac.

Mr. Josh Levac (As an Individual): Thank you, Mr. Chairman and the committee, for hearing me.

My name is Josh Levac. I'm speaking on my own behalf, but with experience as a financial aid manager in post-secondary education in Canada.

I would like to start by acknowledging that the government has already gone to great measures to support access to post-secondary education for Canadians, specifically through increases in grants available to high-needs students, and has promised an increase in support for indigenous students attending post-secondary institutions.

I'm hoping to spark a further interest in you to support our future generations by asking you to consider funding a federal work-study program. A federal work-study program would provide high-needs students with the ability to gain practical work experience throughout their education. The primary focus would be on work to supplement the student's schedule. This focus would allow for a small amount of additional resources to our students in order to alleviate some of the financial stresses that accompany getting an education or degree.

Other countries run programs such as this, and they provide an excellent means to ensure that our future generations are work-ready once they graduate and that they graduate without a significant debt load. I strongly encourage you to consider this opportunity, and I'm more than willing to discuss this opportunity with you at length.

Thank you.

The Chair: Thank you very much, Josh.

Ms. Althea Guiboche.

Ms. Althea Guiboche (As an Individual): Thank you, all.

My name's Althea Guiboche. I'm the founder of Got Bannock? I'm also known as "the bannock lady". I'm a regional consultant to the Canadian Observatory on Homelessness. We are collaborating to write the Canadian indigenous homelessness definition. I'm also the manager of housing supports for End Homelessness Winnipeg.

When it comes to homelessness, I understand that the Canadian government is embarking on a national housing strategy. Outside today, it's 3°C. Every year in Winnipeg homeless people freeze to death on our streets or under bridges. It's estimated that there are several thousand people who are homeless in Winnipeg, but in this city of over 700,000 there are an estimated 100,000 who are housing insecure. They are couch-surfing or living with someone else, and they could be on the street in a moment.

We know that it costs more to keep someone homeless than it does to house them. It costs more in health care, emergency room visits, paramedics, and ambulances. We know what improves mental health and addictions: housing first.

We need to understand who the homeless are. The image of them is of someone you don't know. Often we will blame people for their own poverty or homelessness and think that they didn't work hard enough, didn't get an education, or that they don't want to work. People want to work, but the work is not there to be had. It's hard enough for university graduates to get jobs today; imagine being 50 years old with a grade 8 education.

There are homeless seniors, men, and women. There are homeless families, mothers, and children. There are people with addictions and people with mental illness.

There are three areas where we need investment and federal leadership. One is in building housing that is actually accessible to the people who need it; another is in funding job creation programs so that the people who are homeless can earn some money; but one of the most important is mental health funding. We have a public health care system in Canada, but we do not have a mental health care system, and this is critical to homelessness.

There is virtually no public funding for mental health care treatments, and mental health care is critical to homeless people, first because people who have untreated mental illness can lose their jobs and find themselves isolated from family and the community and end up on the street, but also because homelessness makes mental illness much, much worse. The suffering and trauma associated with homelessness can cause a form of PTSD. This is why the federal government needs to dedicate funding to mental health care, both for young people and for the homeless.

Meegwetch. Ekosani. Thank you.

The Chair: Thank you very much, Althea.

Mr. Anders Bruun.

Mr. Anders Bruun (As an Individual): Thank you and good afternoon. I appreciate this opportunity to appear before the committee and make some very brief remarks.

I am a lawyer in Winnipeg. Yesterday in Regina you heard from two of my client groups, Friends of the Canadian Wheat Board and the Canadian Wheat Board Alliance. They made very substantive comments to you at that time. I simply want to echo those comments, as they apply in full measure to Manitoba's agricultural situation. There is no change in environment at the Manitoba-Saskatchewan border, so the comments apply here.

There is one additional point I'd like to make. The Canadian Grain Commission is located in Winnipeg. It employs about 1,000 people. Its mandate historically, since it was set up around 1910, was to ensure that farmers were paid fairly for the quality of grain they

delivered and to ensure that Canadian grain was a high-quality product being delivered to our export buyers. This issue is becoming far more important today than it was in the past. No major grain-producing location in the world is further from tidewater than the Canadian prairies. At the westernmost part of Alberta, it's 1,000 kilometres to Vancouver. Going east from the easternmost region, it's 700 kilometres to Thunder Bay and then a trip down the lakes.

Ukraine can sell wheat into Montreal more cheaply than prairie farmers can. That's how crucial that transportation difficulty is. It is so much cheaper if you can ship by ocean vessel and you don't have very many on-land costs, either by railway or trucking. Australia, Argentina, the Ukraine, and the U.S. are the primary grain-producing areas that export substantial quantities. Every single one of those areas has a far shorter distance, two or three times shorter, than Canada has. We're in a difficult position, because the costs of transportation end up all flowing back to the farmer.

The only way to overcome that historic cost disadvantage has been to deliver a high-quality product that can earn a premium. It's rather like Germany; German salaries are such that they cannot afford to make cheap cars. They have to make the Mercedes-Benz and BMW. It's essential for them to maintain their society by producing quality and earning that higher income. Our farmers are facing the same situation. They can't produce wheat that sells for \$3 a bushel and that has to be shipped to Vancouver and not go broke. Quality is the driving engine here. If it's maintained, then you can get into markets like Japan, the U.K., and other high-priced markets.

I have two final points. The Canada-China canola issue that seemed to be an annoyance at the beginning of the Prime Minister's visit to China at the beginning of September was an entirely avoidable one. Canada has a habit of adding dockage to its canola. It's valuable for the trade. It's not valuable to the buyer. It's not a good thing for the customer. It's not a good thing for the farmer, either, who is maybe seen to be selling a lower-quality product.

My last point is on Churchill. You've heard everything you need to hear about Churchill from Ms. Ashton.

•(1255)

The Chair: We'll have to stop it there. We try to keep these to about three minutes.

I thank each and every one of you for making your presentations from the floor. If you want to have a discussion following, you can do so once we formally close the meeting.

This has been our first week of hearings on the road. I want to thank all of the members. As well, on behalf of the committee, thank you to all of our support staff: the analysts, the clerk, and the people doing the translation and the organization here at the front desk. I do think they've put in fairly busy days this week.

With that, we'll adjourn.

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