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# Standing Committee on Industry and Technology

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Chair: Mr. Joël Lightbound





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• (1305)

[*Translation*]

**The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)):** This meeting is called to order.

Hello, everyone.

Welcome to Meeting No. 27 of the Standing Committee on Industry and Technology.

We are very pleased to welcome our witnesses, who are participating in person or virtually.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Friday, April 8, 2022, the committee is meeting today to study small and medium-sized enterprises and, more broadly, competitiveness.

Today's meeting is taking place in hybrid format, pursuant to the House Order of Thursday, November 25, 2021. Members and witnesses may participate in person or using Zoom.

Those attending in person are familiar with the health rules in effect and must conduct themselves accordingly.

I am pleased to introduce the witnesses who are gracing us with their presence this Friday afternoon.

We have Ms. Diane-Gabrielle Tremblay, Professor, School of Business Administration, Université TELUQ, appearing as an individual. We have Mr. Ralph Suppa, President and General Manager of the Canadian Institute of Plumbing and Heating, and Ms. Tania Johnston, of the Mechanical Contractors Association of Canada.

Welcome, Ms. Johnston.

We also have Ms. Sara Anghel, President of the National Marine Manufacturers Association of Canada, Ms. Leslie Ewing, Executive Director of Plant-Based Foods of Canada, and Mr. Patrick Perreault, Chief Executive Officer of Table Métal Abitibi-Ouest.

If memory serves me, Mr. Perreault, we had a few technical issues the last time you were here, but we are very pleased to see you again.

Finally, we have Mr. Martin Caron, General President, and Mr. David Tougas, Coordinator, Business Economics, both from the Union des producteurs agricoles.

I wish to thank all the witnesses for taking part in this exercise and shedding light on the subject of study of the Standing Committee on Industry and Technology.

Before we begin, I wish to inform members and witnesses that we have to finish the last round of questions about 10 minutes before the end of the meeting so that we can debate Ms. Gray's motion. Her motion is related to our study.

Without further delay, Ms. Tremblay has the floor for five minutes.

**Dr. Diane-Gabrielle Tremblay (Professor, School of Business Administration, Université TÉLUQ, As an Individual):** Hello.

To begin, I want to thank the committee for inviting me to appear.

Usually when I am invited to Ottawa, most of the participants are anglophones. I hear a lot of French names today. I had decided to speak English today in order to speak more directly to those present.

[*English*]

I will address the issue of small and medium-sized businesses' challenges for productivity and competitiveness. I have only five minutes, so I chose to address the issue from the point of view of human resources management, which is my field of expertise and the field in which I teach. I also teach on innovation and work organization issues.

In the present context throughout Canada, the main challenge for small and medium-sized businesses, for all businesses, actually, is the labour shortage. It's clearly the main issue at the moment. To ensure creativity or innovation in businesses, a labour shortage is not ideal. Even just ensuring production and services is a huge challenge, as most of us have seen in the last few weeks and months.

I think recruiting and retaining talent are really the key challenges in the present economic context. We know it's particularly the case in retail, tourism and hospitality, but it's difficult for most firms throughout the country and throughout all sectors.

There are various solutions, and we have heard of these different solutions over the last year, at least. Immigration, obviously, is often put forward. Increasing the female labour force is often put forward. Some provinces have pretty much reached the maximum, I think, in terms of day care. Good, low-cost day care is a crucial issue, so there may be solutions there as well, but that's not the issue I'm going to address today.

I actually chose to address the issue of aging workers because I think this also is a huge challenge in Canada. Unfortunately, aging workers are a neglected part of the labour force, and it's one of my areas of expertise. I've been working on aging workers' challenges in organizations for the last 20 years or so. I have a course on human resources management and age management in organizations.

There has clearly been a huge challenge over the last couple of years particularly—but actually we could say for a good 20 years—in attracting and retaining aging workers in organizations. Governments often put this idea forward, but in businesses there's not always a follow-up on this, and I think it's actually quite challenging. A lot of the literature points to a certain number of factors that are important for this, but I would put forward the idea of work-life balance in general. This is important for all age groups, but it may be more important or at least aging workers can put this idea forward even more because in many cases—not all the cases, obviously—people have enough finances to retire. Therefore, it's even more important for them to put forward their requirements or desires in terms of work-life balance.

The wage issue is obviously not negligible, nor is the fiscal aspect, but I think those are pretty well covered by the work of different people. Unfortunately, other factors that are more related to the labour market and work organization tend to be neglected, whereas the research we've done shows that a lot of these factors are crucial to attracting and retaining workers.

First of all, it is easier to retain aging workers than to get them back into the labour force, so I think it's important to work on this idea. Firms should consider more flexible retirement options. For example, in research we've done recently, a lot of workers say they'd be interested in gradual retirement options with no obligation to leave at a given date, or possibly in contract work within organizations.

Another element that is very important and is not very developed in general in Canada—in large firms as well as smaller ones—is flexibility in working-time options. Aging workers obviously want to have more time for themselves for leisure, for travel or whatever. This is often refused in organizations. It seems easier to just keep the 35-hour or 40-hour workweek, whereas a lot of workers could be interested in a four-day workweek, flexible schedules, working part time, longer vacation time or working part of the year eventually outside of the country, which is possible in some cases, but obviously not in all.

Firms often think that they can't offer a reduction in working hours because they consider that this will reduce the overall number of hours.

• (1310)

In fact, if we look at it differently, we might consider the fact that reducing working hours, or offering four-day workweeks, for example, will bring a certain number of workers to stay in the labour market, or to come back into the labour market, and therefore the total number of hours would be increased.

Another option, which of course we've all seen over the last two years, is telework. I've done a lot of work on that and I've done interviews with aging workers, some of whom said they might leave their job if the telework option didn't continue. It's another crucial element in terms of keeping people in the labour market.

There are some people—some aging workers—who said to us that of course they appreciate working in a physical environment and having exchanges with colleagues. Obviously this is important for a certain number, but the data show that as people age, they tend to have a rather strong preference for a certain number of days of telework, not necessarily a full week, but a good number, for example three or four days.

Finally, one element that I also find is very much neglected in organizations is the fact that aging workers express the desire to share knowledge or mentor other workers, younger workers or other workers coming into the organization. I think in our organizations in general—small business as well as others—this tends to be neglected. A lot of research has shown that this is something that can bring workers to stay in the labour market and even return to a job.

Of course, we all know that there is ageism or discrimination in the labour market. There's work that has to be done, clearly, on this, but I think aging workers are often more productive and knowledgeable in the service sector. We still have this vision of the industrial economy, where of course it can be more difficult, physically, to do a certain number of things. In the service economy, in the knowledge economy obviously, aging workers tend to be as productive, at least, as others. This is a dimension that shouldn't be neglected.

However—

[*Translation*]

**The Chair:** Excuse me, Ms. Tremblay. I am going to have to ask you to wrap up quickly, please.

**Dr. Diane-Gabrielle Tremblay:** Okay.

[*English*]

I will conclude. I'll skip one or two paragraphs...not so much.

To conclude, as a labour economist, but also a researcher on creativity and innovation in organizations, I would call, actually, for public policy that would support the participation of all age groups in the labour market, with particular attention on what needs to be done to attract and retain aging workers, and that is flexibility options.

What's interesting here is that while, of course, I put the accent on "aging workers", this desire or request for more flexibility in work, these options, are called for by other groups as well—that is women and youth—for different reasons, so there's no discrimination in the labour force or in your organization when you offer one or the other of these options. Clearly, though, for aging workers the difference is they can leave the job, if they have a good retirement plan of course.

I'll conclude on that. I can answer questions or offer documentation to support what I was saying. Thank you.

• (1315)

**The Chair:** Thank you very much, Professor Tremblay.

I'll now turn to Mr. Suppa for five minutes.

**Mr. Ralph Suppa (President and General Manager, Canadian Institute of Plumbing and Heating):** Actually, Ms. Tania Johnston will go first, if that's okay.

**The Chair:** Of course.

**Ms. Tania Johnston (Chief Executive Officer, Mechanical Contractors Association of Canada):** Good afternoon and thank you for this opportunity.

My name is Tania Johnston. I am the chief executive officer of the Mechanical Contractors Association of Canada.

MCAC is the largest trade contractor association in Canada. Our organization was established in 1895. We have grown to represent over 1,000 companies nationwide. These businesses employ over 50,000 Canadians who provide plumbing, heating, ventilation, air conditioning, control systems, medical gases, welding and fire suppression solutions. Primarily they do this work in industrial, commercial and institutional sectors, but also in large housing construction, such as condominiums and apartment buildings.

Our member companies are simultaneously very busy but also struggling. This may seem like an oxymoron, but the strain being put on our sector comes from three challenges that are not easy for single business owners to address. We face major labour shortages, and the products and supply chains that our members rely on have taken a beating. My counterpart from CIPH, Ralph Suppa, will speak more to the supply chain and regulatory challenges, while I will focus on labour.

We face both a retirement challenge and a training challenge. As you may have heard, BuildForce Canada estimates that 260,000 skilled tradespeople are expected to retire by 2030. In plumbing and mechanical trades, the average age is higher than that of most other trades, and we expect the problem to be even more acute in our sector. We estimate that one in five people in the plumbing and mechanical trades is preparing to retire in the next five years. That is especially challenging timing, given that there is an expectation that Canada will build more housing units and retrofit more build-

ings for better energy efficiency over the years ahead. Simply put, if we do not see increased funding for skilled trades training and promotion of the skilled trades as a career of choice, we will not have the people necessary to meet Canada's goals.

We're beginning to see the cracks. Inflationary pressure is driving costs up for consumers. When our members do not have access to enough workers for a project, they will either have to pay more, driving up the costs directly, or forgo their bids, which causes price increases due to less competition.

Billions of dollars are being invested in energy efficiency, retrofits and new construction over the years ahead at all levels of government. To help small businesses in our sector, we need a coordinated plan with the federal government. We also need provincial buy-in that helps more skilled workers in trades like ours, which are especially important to solving Canada's problems of building more housing and transitioning to a low-carbon economy.

With that, I will turn it over to Ralph Suppa.

**Mr. Ralph Suppa:** Thank you, Tania, and thank you, members of the committee.

I am Ralph Suppa, president and general manager of the Canadian Institute of Plumbing and Heating.

Our national chair organization was founded in Montreal in 1933 to provide members with the tools for success to make them more competitive in the manufacture and distribution of plumbing, heating, pipe valves and fittings, waterworks and other mechanical products. Our members provide the supplies that Tania's members install and service. Our 283 member companies operate more than 800 warehouse locations and showrooms across Canada, employ more than 20,000 Canadians and contribute over \$9 billion to the economy each year.

I want to thank the committee for taking the time to understand more deeply the challenges facing small and medium-sized enterprises in Canada. In our sector, we experienced major supply chain challenges, especially during the early stages of the pandemic, as a significant portion of the work we do supports the delivery of clean, safe drinking water to places like hospitals, long-term care facilities and, of course, homes.

The problems we face now are potentially more serious. They do not result from the rapid increase in demand for products, but rather from structural problems, like regulatory fragmentation, which limits our members' ability to deliver goods to markets in an efficient and cost-effective manner.

While we are dealing with the same supply chain challenges as other manufacturers and wholesale distributors, like overtaxed ports and expensive shipping containers, we face unique challenges that put added pressure on small businesses. The most problematic is regulatory fragmentation across provinces and municipalities.

Practically, regulatory fragmentation hurts businesses, workers and consumers. For example, rapidly advanced timelines for plumbing or heating products mean that the products do not have the time to be fully tested for efficiency, durability and fit for given markets. We also see that tradespeople need to upgrade their skills and knowledge more quickly and with different focuses in provinces, territories and even municipalities.

As two national associations involved with Canada's construction industry, CIPH and MCA Canada firmly believe that net-zero buildings will not be achieved on the government's timelines without major new investments in training, incentives and promotions to attract new workers. Doing so will help small and medium-sized businesses adapt to the rapid growth in demand we expect to see over the decades ahead.

When our industry is consulted early in developing policies and incentives programs, we can achieve better results. We need departments to work closely together and to encourage alignment between provinces on adopting a national building code and model codes at the same time, not on alternating cycles.

It is concerning that different approaches are required between some provinces and territories, and even within their borders. Some municipalities are creating demand today for products that are months away from being market-ready or scalable.

We cannot afford the inefficiencies of the past while we chart a path to a more energy-efficient future. The burdens we face now will only be amplified as more housing and ICI buildings are brought online and as consumers race to upgrade their homes and businesses.

We need regulatory frameworks that balance costs and measurable benefits, using good, solid data.

We need clear, manageable timelines with appropriate commitment and advance notice from governments that are making these changes.

We need decisions to be made with a deep understanding of the full business and supply chain infrastructure that considers how each building is a contained system.

Only then will our sector be able to deliver the products needed for market transformation at the right price to encourage consumer adoption.

With that, I thank you for your time. Tania and I will be available for questions after this session.

• (1320)

**The Chair:** Thank you very much, Mr. Suppa and Madame Johnston.

We'll now move to Madame Anghel for five minutes, please.

**Ms. Sara Anghel (President, National Marine Manufacturers Association Canada):** Good afternoon, Mr. Chair, members of the committee and ladies and gentlemen.

My name is Sara Anghel. I'm the president of the National Marine Manufacturers Association of Canada. I'm appearing today to speak against the luxury tax on boats included in Bill C-19. I realize the bill received third reading yesterday, but I think it's very important the committee hear our concerns.

Our industry is made up of mostly small businesses and, in many cases, family-run businesses. These include recreational marine manufacturers, dealers, marinas and service providers. The industry has a GDP impact of \$5.6 billion, \$10 billion in revenue, and employs 75,000 people across Canada.

Our industry has faced many headwinds since the start of the pandemic. Supply chain disruptions, production delays and inflation have affected our members. Tourism and recreational businesses were closed for months due to pandemic restrictions and border closures. On top of that, we are now facing an impending luxury tax on boats.

Our industry understands the government's need to raise revenue in the wake of the pandemic, but the luxury tax is not the way to achieve this. The history of luxury taxes shows that consumers will simply choose to take their discretionary spending elsewhere. That is what dealers and manufacturers are hearing from customers. The result will inevitably be a dip in revenue and hundreds or even thousands of job losses across the country.

According to an economic impact study by economist Dr. Jack Mintz, the proposed tax will result in a minimum \$90-million decrease in revenues for boat dealers, and potential job losses of at least 900 full-time equivalent employees. In short, the tax will hurt the very middle-class families that the government is trying to help.

The problem with this kind of tax is that it can easily be avoided by consumers by either buying goods or purchasing and keeping their boats abroad, for example, in Florida or Seattle. The expected drop in sales will significantly impact the bottom line of manufacturers and dealers, who will then be forced to scale back their operations and staffing levels.

While we saw a boom in boat sales during the pandemic, the supply chain disruption has been very difficult for our industry and, in fact, dealers are expecting a significant drop in sales due to material shortages. An Ontario-based dealer, Crate's Lake Country Boats, in Orillia, expects a drop of 70% in sales by the end of 2022, and that doesn't account for what will happen once the tax is in place.

We can also expect a ripple effect on job losses at marinas and service shops. Fewer new boats sold means less work for the marine service industry, much of which is concentrated in rural and coastal communities.

In the early 1990s, the U.S. introduced a similar luxury tax on boats, which devastated the industry and was eventually repealed following the loss of thousands of jobs and a net revenue loss for the government. New Zealand, Italy, Norway, Turkey and Spain have all previously introduced luxury taxes on boats. In each one of these cases, the tax was ultimately repealed due to the net negative economic effects. There is no reason to think the same will not happen here.

We're also troubled by the singling out of recreational boats and not other recreational products. Boating is a cherished pastime for millions of middle-class Canadian families, and in this unaffordable recreational property market, many families choose to purchase a boat as their cottage. At a time when governments are trying to attract investment and rebuild our economy, a tax that guts home-grown manufacturing and retail businesses makes no sense. Instead of supporting our industry as a vital part of Canada's recovery, this tax is picking winners and losers in outdoor recreation.

The luxury tax also has the potential to damage Canada's trade relations. Concerns have been raised by the boating industry in the United States that this tax directly attacks our Canada-U.S.-Mexico agreement. Similarly, our trading partners in the U.K. and European Union could be hurt by what many see as an indirect tariff on boats.

In conclusion, I want to draw attention to the latest report released by the PBO, stating that there will be 2.9 billion dollars' worth of lost sales from boats, aircraft and cars. However, \$2.1 billion of that, which is 75% of the loss, is expected to come from boats. This is a complete assault on the boating industry.

I saw that there was an amendment passed removing the September 1, 2022, implementation date for the aerospace industry. If 75% of the loss is expected to come from the boating industry, it would be only logical to have a similar amendment for boats, to save jobs and not decimate the industry in Canada.

Thank you for the time.

• (1325)

[Translation]

**The Chair:** Thank you very much, Ms. Anghel.

I will now turn it over to Ms. Ewing for five minutes.

[English]

**Ms. Leslie Ewing (Executive Director, Plant-Based Foods of Canada):** Good afternoon, Mr. Chair and committee members. Thank you for the opportunity to speak with you today.

Plant-Based Foods of Canada, a division of Food, Health & Consumer Products of Canada, is the collective voice for companies that make and market plant-based foods.

One of our greatest strengths is our unique membership, farm to fork. With almost 80 members spanning from manufacturers and retailers to ingredient processors, this presents enormous opportunity for collaboration and leveraging the diverse expertise of our members to make plant-based foods more accessible.

Advocacy, insights and enabling our members to grow and scale are our primary areas of focus. Working with government to address the regulatory challenges facing the industry is a key priority.

Plant-based food products are growing faster than total food and beverage products. Now more than a \$1-billion market in retail in Canada, as measured by NielsenIQ, it is forecasted to continue to grow. Consumers are prioritizing longer, healthier lives without preventable diseases, which leads to why health continues to be the number one reason consumers purchase these foods. Over two-thirds of Canadians purchase plant-based foods frequently, with 30% indicating that they plan to consume more. This all points to the potential for a thriving Canadian industry.

The Government of Canada has identified plant-based proteins as an economic driver. The development of the protein supercluster, which was originally awarded \$165 million to accelerate its growth, has now been re-funded a share of the \$750 million allocated in the recent federal budget. This is recognition of the role that this industry can play and the global opportunity for Canada.

In contradiction to this, the current legislative requirements impacting plant-based foods are resulting in regulatory burden for industry. They are outdated and not keeping pace with innovation and technology, consumer demands and a global marketplace. It is challenging for those who are trying to bring innovation to market, particularly for small to mid-sized companies with limited resources and finances. Over 80% of the PBFC membership falls into this group. Unique formulations are required for products in Canada. This is particularly true for products with compositional requirements, like simulated meat, which requires mandatory fortification, and dairy products, where the ability to fortify is difficult and limited.

Mandatory fortification with specific vitamins and minerals for simulated meat and simulated poultry is antiquated and not aligned with today's consumer and their consumption patterns. With current health and environmental concerns, consumers now want a variety of protein choices with clean, simple ingredients, and do not rely solely on these products to meet their protein needs. The current regulations that evaluate plant-based products against animal-based products are inconsistent with how consumers are incorporating these foods into their diets and result in a long list of ingredient statements that consumers don't recognize.

In the case of plant-based or non-dairy products, there are no formal regulations guiding fortification, and the current interim measures are restrictive for developing products with comparable versatility to milk. A framework to permit fortification is required for plant-based foods including non-dairy cheeses, non-dairy yogurts, beverages and others, to allow for innovation in the category.

Labelling of these products is a challenge across the industry. Regulatory modernization, including labelling that makes sense and is in line with where consumers already are, needs to be addressed. Consumers are not confused by terms such as plant-based burgers or oat milk. They are already part of their vernacular as descriptions of these products.

Modernization is needed to reflect innovations in the marketplace and the latest consumer demands. The use of common names like "butter", "cheese", "meat" or "milk" to identify plant-based foods is prohibited in Canada, although these words describe the functionality or applicability of the food. As a result, companies are forced to find creative ways to describe the products, either through variations in spelling or using words like "type", "style" or "beverage".

The requirements regarding the use of common names for products whose labels clearly indicate that the product is plant-based, vegan or vegetarian, by using terms like plant-milk or plant-butter, need to be re-evaluated.

Lastly, the requirement to label simulated meat and poultry products as "simulated" is redundant and unnecessary, and confuses the consumer, since these products clearly communicate that the product does not contain meat by using designations such as "plant-based", "vegan" or "vegetarian".

Canada is home to an incredible number of entrepreneurial startups in this space. They are pioneering new foods that are leveraging Canadian crops and creating jobs at home. The bottom line is that it is easier to develop products for outside of Canada than within, and that results in a burden for SMEs and the industry.

- (1330)

The inconsistency in the government agenda is evidenced by the fact that regulatory modernization for these products is not even on the forward regulatory agenda to 2024. This is despite the recognition of the importance of this segment of the food industry to Canada.

Regulatory modernization is necessary to support and respond to the increased market demand for plant-based foods. The current regulatory framework is both restrictive and impeding innovation.

Thank you for the time. I'd be happy to provide any research, or written materials, as a follow-up to this.

[*Translation*]

**The Chair:** Thank you very much for your testimony.

I will now give the floor to Mr. Perreault for five minutes.

**Mr. Patrick Perreault (Chief Executive Officer, Table Métal Abitibi-Ouest):** Thank you for inviting me, Mr. Chair and members of the committee.

Table Métal Abitibi-Ouest is a group of seven companies specializing in metal fabrication, with just over 500 workers in the Abitibi-Témiscamingue region of Quebec. Our organization wants to explain our situation and suggest quick solutions that could help us continue to grow despite the labour shortage. We also wish to stress the urgent need for action, because the labour shortage will last for several years.

Like everywhere else in the country, our growth is limited right now by the labour shortage. Every week, we have to turn down client requests because we do not have the necessary staff to respond. This labour shortage leads to a rapid increase in salaries, which also makes us less competitive.

Moreover, we are afraid that our so-called remote region could become a region where people only go to work, unless we find solutions to attract workers and to keep them in the region so they can contribute to the local economy.

We are already reaching out to youth and the unemployed by training them directly in our companies. We have prepared training programs in conjunction with skills training centres and the government departments concerned. Education level is a problem in a number of cases, however, given the low rate of literacy and numeracy.

Automation and robotics are already an essential part of our growth strategies. Yet technology often requires different, highly-skilled workers who have to adapt to change. Further, technology does not lend itself to all tasks. We are not in manufacturing or series production, as we focus primarily on custom products. Most SMEs do not have the necessary resources to deal with all this change management, in terms of both technology and human resources.

Today, we would like to focus on a few solutions that we think could be implemented quickly to attract workers.

There are two potential pools of candidates in which changes are needed if we want to attract, integrate and facilitate the arrival of workers.

The first group is temporary foreign workers and immigrant candidates.

The process for temporary foreign workers is very cumbersome and onerous for SMEs. One of the main difficulties is the length of labour market impact assessments, or LMIA's, which themselves can take several months, not to mention the time required to advertise certain jobs.

Also problematic is the shortage of federal immigration officers working in Quebec who are familiar with the specifics of the relationship between our two levels of government as regards immigration.

The increase in average salaries, not to mention trades, is an important issue that negatively impacts the financial performance of companies that cannot pay high salaries.

Having easy access to information on the status of files and having the computer resources to consult the files and their status, without having to speak to an agent, would be helpful to companies. There is significant difficulty communicating with officers. At present, companies have to be available at all times to return calls, which is not very practical.

It is essential that regional offices be created to meet immigration needs. Right now, foreign workers have to travel to major cities to obtain passports and visas and for medical and biometric tests. Further, regions should be treated in accordance with their characteristics, which can differ from those of major cities.

Similar to what is in place with France, we need more agreements with certain countries in order to accelerate immigration processes and fill the specialized job vacancies that we have.

Finally, procedures to obtain family visas must be simplified so that families can more quickly come to join the workers.

The second group of candidates I want to talk about is experienced workers.

We need more tax incentives to encourage them to remain in or return to the labour market. We have to popularize mentorship programs and better structure them so that knowledge can be shared with upcoming generations.

In all these cases, we are talking about human beings, integration, and innovative practices to address an unprecedented labour shortage. SMEs will also need better support in the area of human resources management. Many SMEs cannot afford the costs associated with immigration processes and the necessary internal staff. Subsidizing the salary of one or more employees, or even offering a tax credit, based on the companies' needs, could be another solution.

We all have to work together to find innovative, short-term solutions to enable Canada to continue to grow economically and to prevent a decline of the resource-rich regions that make up the country.

In short, here are the solutions that would provide great relief, and quickly: eliminating LMIA's for trades where there is a shortage; ready access to information on immigration files; access to re-

gional offices that offer all the necessary immigration services; creating new financial assistance programs to cover the cost of recruitment and internal staff; accelerating the selection process of Immigration Canada officers for Quebec; and reducing source deductions for experienced workers.

● (1335)

Thank you for your attention.

I will be pleased to answer your questions.

**The Chair:** Thank you very much, Mr. Perreault.

Lastly, I will now give the floor to Mr. Caron and Mr. Tougas.

[*English*]

**Mr. Martin Caron (General President, Union des producteurs agricoles):** Good afternoon, everyone.

[*Translation*]

Thank you very much, Mr. Chair.

My name is Martin Caron, and I'm general president of the Union des producteurs agricoles. I'm also a dairy and grain producer in Louisville, Mauricie, Quebec.

Five minutes isn't much time to talk about such a broad subject. I will therefore focus on the inflation-related issues facing farming enterprises.

As you know, we're experiencing a historic bout of inflation caused by multiple events and circumstances. They've all come together to create a perfect storm that's bringing about a sharp rise in prices. We'd have to go back to 1991 to find a higher annual growth rate in the Consumer Price Index (CPI) than we had in 2021. Since the beginning of 2022, however, prices have continued to rise. Inflation has even accelerated, having reached 6.8% in April.

Some aspects of total CPI, such as energy, have risen faster than others. In the agricultural sector, three of the major production inputs—feed, fertilizer and fuel—experienced much higher price growth than the CPI. In horticultural production, the price of containers also rose significantly.

Since the fall of 2021, the average price of these inputs has shot up by about 50%, while the CPI went up only 4.8% over the same period, from September 2021 to April 2022. For example, last spring I was paying \$1 per litre for my tractor's diesel fuel, and it now costs me \$2.05 per litre. Nitrogen fertilizer cost me about \$640 per tonne last year. This year I had to pay \$1,200.

In the Quebec agricultural sector, these increases represent nearly \$1.5 billion per year in added expenses. The Canadian sector is looking at \$10 billion in added expenses. We've never seen that before.

Historic highs in input prices have led to unprecedented use of cash flow by farming enterprises, even when it comes to enterprises evolving in a more favourable market environment. For those sectors where prices have remained stable in the markets, cash flow issues will soon join up with profitability issues.

It's also important to consider that it's not just established farming enterprises feeling this. Due in part to their higher debt load, startups and emerging businesses are also being hit hard by rising production costs.

In this context, and considering that agriculture plays a crucial role in food security, the government must step in quickly to support the farming sector and limit this exceptional bout of inflation. Special assistance is needed to help thousands of farming enterprises escape financial catastrophe. I repeat that the government must step in quickly. Assistance could be modelled after the Canada emergency business account, which would combine cash flow support—the portion subject to repayment—with assistance to support business profitability, the forgivable portion.

The government must also optimize tools and programs already in place to adequately address the current situation. For supply-managed producers, price adjustment mechanisms must be reviewed to make them more flexible and creative. It's important to limit the impact of rising input prices on the cash flow of businesses in this sector.

Finally, a diesel fuel tax rebate for the agricultural sector and for private forestry would limit the rising cost of that input. It would also have a limited effect on governments' budgets, as they are receiving additional tax revenue from the higher energy prices.

We recognize that one-time assistance and the measures I've mentioned will not address all the impacts of a significant increase in input prices. However, inflation will certainly have a negative effect on productivity and profitability for our businesses. It will also affect their ability to invest in new technologies, particularly to address climate change.

Inflation has also come at a time when labour shortages are already negatively impacting farm competitiveness.

One-time assistance and the measures I've requested will help mitigate the financial impact on farm enterprises, which must simultaneously deal with historic price hikes and secure the food supply for the people.

Thank you.

• (1340)

**The Chair:** Thank you very much, Mr. Caron.

We will now begin question period. I'd like to inform the members that we will only have enough time for the first two rounds of questions.

Mr. Kram, you have the floor for six minutes.

[English]

**Mr. Michael Kram (Regina—Wascana, CPC):** Thank you very much, Mr. Chair, and thank you to all the witnesses for joining us today.

Ms. Anghel, from the National Marine Manufacturers Association, you spoke about the luxury tax on boats.

At first glance, one might think that if a person can afford a quarter-million-dollar boat, then they can also easily afford the 10% luxury tax on that boat, and it might not be worth their time, effort or energy to try to avoid paying the tax. I was wondering if you could elaborate a bit on what consumers will do to avoid paying this tax.

• (1345)

**Ms. Sara Anghel:** You're absolutely right. The view is that they can afford it and that's discretionary money, but we're seeing that they're choosing to take their discretionary money elsewhere. They're simply not interested in paying any more than they already have to pay. That's their choice.

One dealer in British Columbia outlined to me yesterday that last year, he had eight orders for boats between \$250,000 and \$500,000. This year he has zero, so the impact is happening.

The other piece is that, sure, the person can afford a half-a-million-dollar boat, but they're going to pick this boat up stateside and keep it in the U.S., so we're going to lose the tourism impact that the industry has. There's the ripple effect and multi-sector economic impact that a boat has on our economy. They will simply purchase it in the U.S. Maybe they'll come up to Canada, but maybe they won't. That's how they'll avoid the tax.

Thank you.

**Mr. Michael Kram:** Would you say that boat manufacturers and boat dealers in the U.S. are your main competitors?

**Ms. Sara Anghel:** Yes.

**Mr. Michael Kram:** If I go down to the States to buy a new car and I drive it across the border back to Canada, I have to pay any taxes on that new car I purchased because I have to get a licence plate for whatever province I'm living in and driving the car in.

Can you elaborate? Is it not the same situation for boats?

**Ms. Sara Anghel:** If someone purchases a boat in the U.S. and chooses to import it into Canada, if it's newer than 2018, it will be subject to the luxury tax at the point of entry into Canada if they choose to register it. That's not necessarily what the case would be with boats. They can float the boat across. They can come through the Great Lakes. They can choose to enter Canada, stay up to one year and then leave again, which a lot of boaters do. They go back stateside and never pay the tax on the boat.

**Mr. Michael Kram:** Okay, so let me see if I have my head wrapped around it.

Someone who is living in Thunder Bay, Ontario is considering buying a new boat in Thunder Bay or buying the same boat in Duluth, Minnesota. All it takes is a drive down to Duluth to save \$25,000 in luxury tax. Is that accurate?

**Ms. Sara Anghel:** That's correct.

**Mr. Michael Kram:** This person could still sail around the Great Lakes all summer long with an American-purchased boat instead of a Canadian-purchased boat. Is that correct?

**Ms. Sara Anghel:** That's correct.

**Mr. Michael Kram:** Okay, thank you for explaining it so well and so succinctly.

You also mentioned that in the 1990s, the U.S. government introduced a similar luxury tax on boats. If I understood you correctly, the U.S. government's tax revenue actually went down as a result.

Is that correct?

**Ms. Sara Anghel:** Yes. I think the projection was that they were expecting to collect something like \$24 million yearly from the luxury tax. It ended up being negative \$8 million, because by the time all the job losses occurred.... One boat manufacturer went from 1,400 employees down to 80. There's the ripple effect. The luxury tax is not being collected on the sales, and now there's a huge unemployment issue in the U.S. economy, which requires employment insurance being paid to all those who lost their jobs.

**Mr. Michael Kram:** All of these workers in the industry who used to pay income tax to the government are no longer paying that income tax, and the new luxury tax is not making up for the shortfall. Is that correct?

**Ms. Sara Anghel:** That's what happened.

**Mr. Michael Kram:** Was it the same case in several other countries as well? Is that what I heard in your opening statement?

**Ms. Sara Anghel:** Yes, it was in Norway, Italy and New Zealand. There were a number of countries that attempted it to gain additional revenue for the government. In all of the cases, after 12, 18 or 24 months, they realized they were destroying their local manufacturing, the boating industry and the economy. All of it was repealed everywhere.

• (1350)

**Mr. Michael Kram:** It was repealed everywhere because, in all of those cases, it generated negative tax dollars for the government? Is that correct?

**Ms. Sara Anghel:** That's according to the study that we have, yes. That's correct.

**Mr. Michael Kram:** You also touched on international trade agreements. If I understood you correctly, this tax would be a violation of our commitments under the new NAFTA agreement. Can you elaborate a little on why that would be?

**Ms. Sara Anghel:** It's inadvertently a tariff. To be honest, as much as we're doing our best to protect Canadian manufacturing, about 80% of the boats that are sold in Canada are made in the United States.

If we're going to say we have free trade between our countries, but we're imposing a luxury tax on boats that are manufactured in the U.S. it's a quasi tariff. It applies similarly to our agreements with the U.K. and with the European Union. Any vessels that are imported from those regions are subject to the luxury tax, which kind of defies our trade agreements with those three partners.

**The Chair:** Thank you very much.

We'll now move to Mr. Dong for six minutes.

**Mr. Han Dong (Don Valley North, Lib.):** Thank you very much, Chair.

I want to thank all of the witnesses for coming today. These are very interesting topics.

I'm a fisherman. I have a very small fishing boat, so I have a particular interest in the boating industry. I was listening to the conversation.

Help me out here, Ms. Anghel. Do you have the number of total boats sold annually prepandemic, boats valued over \$200,000? Give me a ballpark figure.

**Ms. Sara Anghel:** I'll have to look that up for you and provide you with an exact number. About 15% to 20% of the industry is boats, vessels, valued at above \$250,000.

**Mr. Han Dong:** Could you provide that number to the committee later on?

**Ms. Sara Anghel:** I will.

**Mr. Han Dong:** I was listening to the comparison. Can you tell us what the tax is on a boat in Minnesota? I'll use the example that my colleague just used. What's the state tax there?

**Ms. Sara Anghel:** I'm not sure what the state tax is in Minnesota, but it's state by state. There would be whatever the sales tax—

**Mr. Han Dong:** I just did a quick Google. It's 6.8%, and it's 6% in Florida.

For a \$200,000 boat.... What's the exchange rate? Let's say it's 0.8%. That's \$160,000 U.S. dollars. With 6.8% tax, that's just over \$10,000. A boat owner who buys the same value of boat in Ontario today, paying 13% tax, is about \$20,000 U.S. In comparison, buying a boat in Florida at 6% is \$9,600 U.S.

You can see my point. There's already a significant saving in taxes for anyone to buy a boat in the U.S., without talking about the luxury tax that's proposed in this current budget.

My question is: What's the incentive for Canadian boat clients to buy a boat in Ontario right now, without the luxury tax, if you think that this tax is going to affect this choice of location in terms of buying a boat? What's the incentive for them to buy a boat right now in Canada?

**Ms. Sara Anghel:** It's a matter of convenience as well. Obviously, it is a little more complicated, if you choose to purchase a boat in the U.S., in Florida or anywhere, to bring it here.

I think what the luxury tax will do is prompt people to deal with that inconvenience to save a significant amount of money. It was 6% or 13%, but now, all of a sudden, it's an additional 10%, plus there is HST being added to the luxury tax. I think the incentive is that, the more there is to save, the more they're willing to be inconvenienced by going to the U.S.

**Mr. Han Dong:** By the way, in the States they have a cap on tax at \$18,000 U.S., which means that for boats over \$300,000, they'd be paying the same amount of tax. I'm just saying that for the small percentage that you mentioned, 15% to 20%, and for those boats at over half a million dollars, there's greater incentive right now—I'm not talking about with a luxury tax—to buy that boat in Florida, because the cap is at \$18,000.

I just want your thoughts on this. Do you think a luxury tax will really have a huge impact on the sales of luxury boats in Canada?

• (1355)

**Ms. Sara Anghel:** I do. There are many, many dealers around this country, from B.C. to Ontario, to Quebec, where 80% of the product that they sell is above \$250,000. They are all hearing from their customers, repeat or new customers, who have clearly said, "Cancel my order if the luxury tax comes in." It's been dragging for a little while, because we've been waiting for it to be implemented, so many orders have already been cancelled, not even with the luxury tax in place.

Add the supply chain disruption to that, and some dealers are going to have to start laying off people before the luxury tax comes in, because they don't have any supply and the luxury tax is being put on top. I do feel there will be—

**Mr. Han Dong:** That's great. I look forward to the information you're going to offer to the committee on the sale of boats. As well, can you do a modelling of how much the gas costs would be from Minnesota to Ontario, let's say, to Thunder Bay? How much would that cost? Just give us an idea, including the travel cost. That would be very helpful.

**Ms. Sara Anghel:** Okay.

**Mr. Han Dong:** My next line of questions is for Dr. Tremblay.

Again, we are doing this study to look at competitiveness. With competing jurisdictions, in response to the labour shortage, what are they doing to address the labour shortage and for talent retention? What do you hear are some of the good practices from those jurisdictions?

**Dr. Diane-Gabrielle Tremblay:** Do you mean internationally, from other countries?

**Mr. Han Dong:** Yes, comparable.

**Dr. Diane-Gabrielle Tremblay:** Well, there's interesting data. If we look at Europe, a certain number of European countries had very low participation rates. I'd mention particularly Finland, Belgium and France. Of course, as in Canada, at some time there was high unemployment, and governments even put in place some policies to push people out of the labour market. Of course, when you develop those policies, then people get used to them and, well, just consider that it's normal and that retirement is a great gift that they have to take.

What is interesting is that a lot of these countries have gone back, obviously, on these policies, because they don't have the same issues. The case of Finland is particularly interesting. It did a lot of, I guess you could say, publicity, promotion or putting out information against discrimination. Actually, in Quebec, at the moment I'm working with a group that has the same type of...not policy, but a program, or publicity, if you want. It is called *la compétence n'a*

*pas d'âge*, or "You're competent at all ages", and possibly even more as you grow older, in some cases.

The idea in Finland was really very interesting. Their participation rate had really gone down, and it came up again. France has a certain number of programs for seniors. However, I don't consider that they're doing very, very well. I think there's a lot of discrimination and ageism in French society. It's very difficult, unfortunately, for young people to get into the labour market in France. However, when you're pushed out of it, it's very difficult to get back in.

I think what is really important is to develop policies to get back into the labour market. Somebody was mentioning previously—I think it was Monsieur Perreault—the fiscal dimension. Clearly, in the surveys we have done—and eventually I can also give you access to these different surveys, particularly two very recent surveys we've just done in January and another one that is going to be coming out now—with employers and employees, retirees are not so interested. Half of them might be interested in coming back into the labour market, but they will be interested precisely under the conditions that I mentioned: flexibility in working hours, reduced working hours, eventually a four-day workweek, maybe not working all year long. For them, especially—

**Mr. Han Dong:** That's great, Dr. Tremblay. Could you submit those surveys you mentioned to the committee later on, and also the project you're currently working on in Quebec?

**Dr. Diane-Gabrielle Tremblay:** Yes, definitely.

**Mr. Han Dong:** Thank you.

[Translation]

**The Chair:** Thank you very much.

Mr. Lemire, you now have the floor for six minutes.

**Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ):** Thank you very much, Mr. Chair.

When I introduced the motion asking that we address the labour shortage, one of the reasons I did it was because representatives of the Table Métal Abitibi-Ouest had struck a chord with me. I commend the leadership of Patrick Perreault, who made it possible for the businesses to join forces in the regional county municipality of Abitibi-Ouest. Instead of competing with each other, these businesses in the same sector came together to find solutions, and they are active. Having visited most of these businesses and factories, I can tell you that they are in solution mode.

Then again, solutions aren't easy to come by in Abitibi-Ouest.

Thank you, Mr. Perreault, for the picture you painted today of the impact of the labour shortage.

What would help you secure success for your company? What can the federal government do in the short term?

• (1400)

**Mr. Patrick Perreault:** Here are the four main thrusts that could help us in the short term.

First, bringing in foreign workers is a very attractive solution that would help us gain access to skills and experience no longer available in the current job market.

To reduce the wait times for this process, the government could do away with labour market impact assessments (LMIAs) for trades experiencing labour shortages. There would have to be some conditions, and they wouldn't eliminate LMIAs for all trades, but they could at least do it for the trades facing labour shortages.

Second, there's the issue of the costs associated with this whole process. Tax credit or other programs could help offset part of the costs associated with government documents or other costs that businesses must cover to manage these records. That would be a big help for small and medium-sized businesses.

Third, we have limited resources available to get moving on this. We've realized that there are not many Immigration, Refugees and Citizenship Canada officers in Quebec. That translates into long wait times. Even so, Immigration, Refugees and Citizenship Canada staff do good work, and they transfer files to other provinces. However, the fact that Quebec has two levels of government causes some problems because the other provinces don't apply the same rules as Quebec. The immigration officers are not aware of the rules, which makes processing times much longer.

Fourth, a digital solution should be found to allow web-based file tracking at Immigration, Refugees and Citizenship Canada. Currently, if you want to follow up, you need to call Immigration, Refugees and Citizenship Canada, but you can't speak directly with someone. You have to leave a message and wait for an employee to call you back within a certain amount of time, usually about 24 hours. However, you never know when that individual will call you back and, therefore, someone has to be available at all times to take the call. If you miss the call, you have to call back and go through the process all over again.

These four solutions could be put forward in the short term.

**Mr. Sébastien Lemire:** You really experienced that. A business experienced that, and you come to realize that it's costly, it takes too long, and it's a tall order. People don't always clearly understand what it is the federal government wants from them, and the federal government doesn't know any better than businesses do, and that has consequences.

You also expressed concern that people might not live in your area and only travel there to work. That would impact businesses and the regional economy. I'd like you to tell us more about it.

What are the consequences when workers don't live in the area?

**Mr. Patrick Perreault:** If it happens in Abitibi-Ouest or elsewhere in Canada, the regional economy could move somewhere else in Quebec or Canada. If people do not live there, they inevitably will rent small apartments and they won't spend much money in the area, and that will lead to fewer government services. By that I mean hospitals, schools and all the rest.

It will also cause regional businesses to shut down, because it would create even more competition in the regions. That would increase conditions for workers and could lead to business closures and make regional businesses less competitive.

Those are our four main areas of concern.

**Mr. Sébastien Lemire:** Thank you so much, Mr. Perreault.

Mr. Caron, first, I want to thank you for being here.

The issue of agricultural producers is a sensitive one, particularly in Abitibi-Témiscamingue. I once worked at the Union des producteurs agricoles before I got into politics, and people didn't use foreign workers in Abitibi-Témiscamingue back then, or at least not very many. Now it's a must.

Can you tell us about the labour shortage in the farming sector and how farmers have been frustrated with the temporary foreign workers program?

• (1405)

**Mr. Martin Caron:** Yes. Thank you for your question.

To paint a current picture of the labour shortage, I should mention that a third of the jobs created in the farming sector are held by temporary foreign workers. It's a third in Quebec, and also a third in Canada. Therefore, it's important that programs be flexible and well adapted to the needs of the farming community.

The same thing goes for LMIAs. They should be valid for three to five years. As producers, we're asked to be efficient and productive. So we're asking the same of the government, because we need that efficiency, especially when you think about the challenges we're facing right now, with inflation.

**Mr. Sébastien Lemire:** Absolutely. Thank you very much.

My time is up.

**The Chair:** Thank you for your discipline, Mr. Lemire.

Mr. Masse, you have the floor.

[English]

**Mr. Brian Masse (Windsor West, NDP):** Thank you, Mr. Chair, and thank you to our witnesses.

I'm going to go back to the luxury tax issue, because we haven't had a lot of discussion on it. I don't like the luxury tax, personally. It's a regressive tax, similar to the GST/HST. Also, I think it blinds people to purchasing issues, because they get more emotional about it.

What I would like to know is how many orders have been cancelled and what are dealers doing in terms of down payments? Are they keeping the down payments on those purchases, or are they taking the down payments from consumers who were going to purchase?

You are identifying that there have been a lot of cancellations, so I'd like to know that, because that's one of the consumer issues I've been dealing with.

**Ms. Sara Anghel:** It's probably a mix of things. Because there was such a long pause after the tax was first brought up in budget 2021 and we weren't really sure when implementation was going to happen, I think a lot of people got cold feet. There are not necessarily deposits. They just decided not to purchase.

Orders that were placed prior to December 2021 are protected, so there's a bit of space there, but basically, what's happening is the consumers are not coming, and with supply chain disruptions, there's less inventory at the dealer's showroom. There hasn't been a boat show in two years, because of the pandemic and now supply chain issues.

I'd have to go back and ask a lot of individual dealers how things are happening, but what we're seeing is that some of them have already started laying off people, because there are no orders being placed.

**Mr. Brian Masse:** Thanks. That's a fair answer. I don't want you to do that, because that's just more work.

My point in all of this is who's really affected. It's the students and employees at the base level, because the consumers who are affected by this will either make other decisions, rational or irrational, because often...

I'm right here by the border. You can try to go over there and think you're going to get a deal, and it won't turn out to be the deal you want. You have warranty issues and all kinds of different problems that are unimaginable, and you can really do yourself more harm than good, just because of spite. You have dealer-owners, who will only reap in the sales, if there were down payments made, and there's no real cost for them there.

What you have is a slowing of sales to younger people, and those who are on the shop floor and so forth are the ones who really feel the hit of all of this. I wanted to raise that point, because this issue has gotten a lot of attention, and I don't think it's good.

Now I can move to Mr. Caron.

With regard to the temporary foreign workers, my area also has a lot of temporary foreign workers. There are serious problems with the industry with regard to housing, abuse and worker treatment.

If you want to have extensions of contracts and agreements, how do you deal with that? I've seen it at the front door here so many times, especially with Mexican, Jamaican and other temporary foreign workers who have been subjected to poor conditions during COVID. Even prior to that, there have been well-documented cases of abuse.

What's the industry willing to do to increase its protection of workers? There's clearly a need for workers, because the industry

doesn't pay a wage that makes Canadians want to participate, and there are some skills advantages that we get too. There's a balance in all this.

What's the industry willing to do to step up its game?

• (1410)

[*Translation*]

**Mr. Martin Caron:** Thank you for your question.

At the outset, I must mention that such cases are not acceptable. Even we, as an organization, will denounce them.

In most cases, I think that we, the agricultural producers, among others, would benefit from training programs and support measures to sustain the workers. There are even networks in place, like the Réseau d'aide aux travailleuses et travailleurs migrants agricoles du Québec, RATTMAQ, the assistance networks for migrant workers in Quebec, for example. So we work with these groups to provide support, because the need really exists, as you mentioned.

On the structural side, changes have been put in place that have allowed for agreement between the provincial and federal governments on the new requirements. I think people are realizing that accommodations and adaptations need to be made. It's essential for these workers.

In addition, perhaps permanent immigration should be considered, in many cases. These people are much more than employees. They are people who have great expertise and contribute enormously to our businesses. They are part of the family.

[*English*]

**Mr. Brian Masse:** That's a fair answer. I always thought there should be more support to allow those individuals who want it to stay and become permanent citizens in Canada, because they now have new relationships and familiarity with the community, and are building their families. Is that something that is supported by your organization?

[*Translation*]

**Mr. Martin Caron:** Yes, absolutely.

That's one of the things we're pushing for, because we're already seeing people wanting to move to the country with their families. We are very much in favour of that. In terms of accompanying them, the best way to do that is to respect them as we respect Canadian workers.

[*English*]

**Mr. Brian Masse:** Thank you, Mr. Chair, and thank you to the witnesses.

[*Translation*]

**The Chair:** Thank you very much.

Ms. Gray, you have the floor for five minutes.

[*English*]

**Mrs. Tracy Gray (Kelowna—Lake Country, CPC):** Thank you, Mr. Chair, and thank you to all of the witnesses for being here today.

My first question is for National Marine Manufacturers.

There has been a fair amount of discussion here today already around the various taxes that people pay between the countries of Canada and the U.S., highlighting how uncompetitive Canada is already, even before this luxury tax comes in.

What I want to ask is specifically around B.C. We have, for example, Point Roberts, which is a U.S. municipality just minutes from Vancouver. I've heard concerns that with the luxury tax, Canadians can buy a boat in the U.S., literally just across the border, and keep it there at Point Roberts Marina so they don't have to pay the luxury tax. If we look at B.C., you're at 7% PST. It could be up to 12% for boats, depending on who sells it. You have 5% GST. You're at an average of at least 10% already, before the luxury tax.

Does this all simply make us less competitive? This study is about competitiveness. Have I laid that out correctly, and does this just make us less competitive?

**Ms. Sara Anghel:** Absolutely. That's what we've been trying to say all along. We are less competitive. It costs more here. There is the exchange rate, because most of the boats are built in the U.S., and now on top of the 12% or 13%, we're going to add another 10% and just destroy local manufacturing, destroy coastal community businesses. For dealers in British Columbia that do sell and are selling, 80% to 90% of the boats they are selling are above \$250,000.

Again, it's great for those who can afford them. I'm not here to defend the rich yacht owner. I'm here to defend the middle-class Canadian who gets up in the morning and services that million-dollar boat. There are going to be fewer of them in our coastal communities, and those are the jobs that will suffer on top of the competitive issue.

**Ms. Tracy Gray:** Great. Thank you very much for that.

I'd like to go now to the Canadian Institute of Plumbing and Heating.

In your opening testimony, one of the things that was mentioned was regulatory fragmentation across provinces and municipalities. I am presuming that refers to interprovincial trade barriers. I was wondering if you could expand on that a bit.

We know that Canada has the Canadian Free Trade Agreement with the provinces, which is supposedly being worked on, but we don't really hear of concrete updates. We hear that in spite of Red Seal certifications, people can't work easily interprovincially.

I wonder if you can expand on that a bit, on what opportunities there are and how right now we are uncompetitive, perhaps.

• (1415)

**Mr. Ralph Suppa:** I'll deal with the regulatory question, and I'll then defer to Tania on the Red Seal question.

We were part of the Canadian Free Trade Agreement in terms of provincial jurisdictions. For example, the 2020 national plumbing code was just released this year. Prior to that, each province was not adopting it at the same time.

Under the auspices of the new Canadian Free Trade Agreement, each province will supposedly be adopting it within a 24-month

window. Then, when the 2025 code cycle comes out, it will be adopted within an 18-month window.

The challenge we have right now is that not everybody is on the same page. It's further compounded when you have municipalities in major cities like Vancouver and Toronto creating regulations that sometimes differ from the provincial guidelines, making it more complicated for manufacturers to know what products to ship into what jurisdiction. Then, if you're a wholesale distributor, you have to carry dual inventory to make sure you meet that demand.

That's the issue when we talk about fragmentation. We're not in sync. We'd like to see more engagement of industry when government develops these types of policies, because we want to bring some practical solutions that not only keep our businesses afloat and competitive but also ensure that we're meeting proper guidelines as we go across the country.

In terms of the Red Seal, I know Tania has been working closely on that, and I'm sure she can address that as well.

**Mrs. Tracy Gray:** Can I interject really quickly, before we do that?

**Mr. Ralph Suppa:** Yes.

**Mrs. Tracy Gray:** Are you saying there should be more consultation with industry?

**Mr. Ralph Suppa:** Yes.

**Mrs. Tracy Gray:** Thank you.

We'll go to the other witness to quickly talk about Red Seal.

**Ms. Tania Johnston:** Thanks, Ralph.

To be honest with you, I haven't worked that much with the Red Seal program. I know, similar to what Ralph was telling you, that they are working on breaking down the barriers so that the trades can move from province to province. I don't have specific details on that, but I can get that for you.

I'm sorry about that.

**Mr. Ralph Suppa:** I'll weigh in very quickly to leave this question with some substance.

Our goal is to create some labour mobility. If I'm a mechanical contractor doing business in Quebec, as an example, and my workers' jobs dry up a bit, my credentials should be recognized in British Columbia as the same skill set. We're trying to work towards that. We're not there yet, but we're trying to get other provinces on the same page to recognize the credentials of apprentices and journeypeople across the country.

In fact, it's even a north-south situation. We should be able to recognize Canadians going to the States and Americans coming to Canada with the same credentials.

**The Chair:** Thank you very much, Mr. Suppa.

We'll move to Ms. Lapointe for five minutes.

[Translation]

**Ms. Viviane Lapointe (Sudbury, Lib.):** Thank you, Mr. Chair.

My question is for Ms. Tremblay.

Ms. Tremblay, in your comments, you mentioned that there is a need for public policy to support labour force participation for people of all ages. In order to keep people in the workplace, should flexibility be part of labour laws and codes?

In your opinion, concretely speaking, what needs to be included in the bills?

**Dr. Diane-Gabrielle Tremblay:** I can tell you that European countries are more involved in working time. France, for example, has intervened a lot in terms of the reduction and organization of working time. Belgium and the Nordic countries, such as Norway and Sweden, have also intervened in this respect. So I think that yes, there can be incentives.

Canada has had some small programs along these lines, but very few. There is a federal work-sharing program, but it applies more to periods of unemployment.

Quebec has a few small programs, including the Programme d'aménagement concerté du temps de travail, which was specifically designed to keep people employed in certain contexts.

That said, in my opinion, the role of the state, from this point of view, is not indeed to replace organizations or companies, but rather to offer incentives. Indeed, aging workers are discriminated against—this is very clear—and have difficulty returning to work. In fact, at the moment, I am working with employability organizations, with the aim of helping workers to return to work.

Some committees are for people aged 45 and over. That's a bit young to consider yourself old. So, let's talk about people who are at least 55 years old. We're very interested in people between 55 and 70.

I think that, while labour force participation rates are still relatively high in Canada compared to some countries, they are lower than in the United States, Japan or the Nordic countries. For example, in the 60 to 65 age group, and even in the 65 to 70 age group, especially in the context of high inflation or labour shortages, I think that offering various incentives, financial or otherwise, is very important. However, when you do surveys...

• (1420)

**Ms. Viviane Lapointe:** I'm sorry to interrupt you, but I have another question to ask.

**Dr. Diane-Gabrielle Tremblay:** Very well.

[English]

**Ms. Viviane Lapointe:** My question is for Ms. Johnston.

As part of your organization's pre-budget submission in 2021, you recommended that the federal government invest in promoting skilled trades, and specifically in providing training opportunities in skilled trades for newcomers to Canada, women, indigenous people and other marginalized communities.

In terms of competing with big organizations for a small pool of skilled employees, what does that look like for small and medium-sized enterprises?

**Ms. Tania Johnston:** It is actually quite difficult for a small or medium-sized business to keep employees or the skilled trade force fully employed at all times.

Right now we're in a situation in which they're very busy with work, so they've been able to maintain those employees. In times of low employment or low construction, it is difficult for them to keep those employees on.

With regard to the investment that we've seen from the 2019-20 budget, it's a start. There is \$47 million that was just contributed to the Canadian Apprenticeship Forum and the Canadian Construction Association, which will be doing lots of training and apprenticeship training and bringing on and hiring new apprentices.

That's just a start. It doesn't actually look at the mechanical contracting trade and its importance in achieving the net-zero economy.

**Ms. Viviane Lapointe:** I'd be interested in hearing your thoughts on Professor Tremblay point that aging workers are keen to mentor. Could your industry offer aging workers mentoring opportunities? Could we transition them to knowledge jobs with fewer physical demands and more flexibility?

**Ms. Tania Johnston:** Absolutely. As she was speaking today, I was thinking that is one person I'm going to have to reach out to.

Mentorship is very important in our trade. It's not only bringing on new apprentices to do the work—it takes one to five years to complete that apprenticeship—but the need to upskill those who are currently in the trade. I think that's a great opportunity, so I look forward to having conversations with Professor Tremblay.

[Translation]

**Ms. Viviane Lapointe:** Ms. Tremblay, I would like to ask you the same questions.

What is the impact of labour shortages in general and, in particular, the skilled labour shortage on small businesses?

**The Chair:** We may have a chance to come back to this at the end of the session. I now give the floor to Mr. Lemire.

Mr. Lemire, you have the floor for two minutes and thirty seconds.

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

My question was originally for Ms. Tremblay, but I will take advantage of Mr. Caron's presence to continue with him.

Mr. Caron, I would like you to tell us more about the labour needs in our farms and all the paperwork they have to deal with right now, instead of being on the land and doing what they do best, which is agricultural production.

**Mr. Martin Caron:** Thank you for your question.

It is certainly true that the labour shortage is creating a lot of uncertainty at the moment. Indeed, despite the steps we are taking, we are not sure that we will be able to get the number of workers needed. That is why one of the elements we want to put in place is a guarantee. Let me explain. As agricultural producers, if we have a service contract with workers, we must ensure that these workers who come here will remain in the agricultural field as agricultural workers. When you expect to need 20 workers to do the spring planting and harvesting, but only 10 come in, that really hurts productivity. So the profitability of businesses is compromised very quickly. We thus need to provide some security in this regard, with safeguards. As I mentioned earlier, it's very important that, as responsible organizations, we show respect to these workers.

Maybe we need to go a little bit further, too, because there's a seasonal aspect that's asking a lot of us. Maple products, for example, are noble products and Canada is the place in the world where more than 70% of maple products are generated. This is still important. We therefore need workers who come on a seasonal basis to do these activities. Then, quite often, these same workers can contribute to the work of vegetable producers, among others.

So we need to be flexible. All members of this committee need to understand that this labour shortage will not just last a year or two. The government can see the trend that is developing and with the low unemployment rate, it will last until 2030 or 2032.

Simultaneously, we have to support the workers and we have to look at the productivity of our agricultural businesses. When I talk about productivity, I'm talking about new technologies that could allow us to reduce the impact of labour shortages.

• (1425)

**Mr. Sébastien Lemire:** I conclude that you need flexibility, especially between companies. A worker could, as needed, work from one company to another. As the security screening is already done, the renewal should be able to be done automatically to avoid starting the whole process again each time.

Mr. Chair, do I have time to ask Ms. Tremblay a question?

**The Chair:** I'm feeling generous, Mr. Lemire. Go ahead.

**Mr. Sébastien Lemire:** I thank you and commend your generosity.

Ms. Tremblay, you have presented many solutions, including flexibility and mentoring by experienced workers. That's 75,000 additional workers who could help alleviate the labour shortage.

I hear a lot about the tax issue; people don't want to work for nothing. How could we do something about that?

You have quite a bit of experience observing situations globally. What could we do about taxation or direct income for experienced workers?

**Dr. Diane-Gabrielle Tremblay:** We have already started to implement measures. For example, we don't tax additional income as much. Indeed, when people think that as soon as they make a dollar, that dollar goes away, that's a major impediment and constraint.

I think we recognize that aspect. Other older workers tell us that they don't want to be paid less than others. Some people bring up

this idea that they could be paid less because they already have income, because they have a pension plan and so on.

On the other hand, I really place the emphasis elsewhere. A lot of people have a pension plan. When these people leave at 60, you ask them why they retire and they say it's because they can afford it because of their good pension plan.

When asked what would bring them back into the workforce, they tell us about flexible hours and a great work environment. Many of them also tell us that they want to continue learning and passing on knowledge. This is really a determining factor.

I think these are conditions that can be put in place quite easily in workplaces. However, it does require well thought-out human resource management and work organization. Contrary to what is sometimes believed, these people do not particularly need special accommodation. They do not ask for that. They do, however, want to be able to enjoy the last years of their lives for leisure or other activities.

As I mentioned, in an organization it is difficult to offer things to one group and not another. In fact, parents of young children also want working time arrangements. Young people also want time to travel, to do sports, and so on. So there needs to be a policy of flexible and reduced working hours in organizations to meet the needs of different groups.

**Mr. Sébastien Lemire:** Thank you very much.

**The Chair:** Thank you, Ms. Tremblay.

Mr. Masse now has the floor for two and a half minutes.

[*English*]

**Mr. Brian Masse:** Thank you, Mr. Chair.

Ms. Johnston and Professor Tremblay, the skilled trades issue is really important, especially getting women involved in the skilled trades. Parliament just referred Bill C-241, from the member for Essex, to committee. He's my neighbour. The bill is for a tax credit for skilled tradespeople who have to travel further distances. Where I'm from in Windsor, Ontario, oftentimes our skilled tradespeople have gone to Alberta or other places, and it's added a bit of a cushion in terms of expenses, etc.

I wonder what your opinion is on this bill, because it will go to a committee. I'd like to see it passed. It's another bit of a bump for those who have to deal with travel costs, especially for young women involved. There are extra costs that they have in such a profession, and they're often still the primary care person for their children.

Ms. Johnston and Professor Tremblay, I'd like to hear your thoughts on that.

● (1430)

**Dr. Diane-Gabrielle Tremblay:** I think that's a huge challenge. I had a woman at my house recently who mentioned all the difficult challenges that she went through in terms of discrimination and everything. I have also worked on women in the IT sector, so I have worked on various sectors in which women are in the minority.

There are a certain number of things that need to be done to bring women into these various sectors—trades and others—and yes, definitely, what you're mentioning could be a plus. Women are definitely still the primary caregivers, and a lot of women are alone with children, so the financial aspect is hugely important for a lot of women who don't necessarily have very high wages.

Then again, all the issues of work-life balance—as much as you can support this aspect—like day care, for example, are hugely important. It's true that as long as we don't have sufficient, high-quality day care for all women throughout Canada, it's difficult for a certain number of women, especially the low-paid ones, to get into and to stay in the labour market.

**Mr. Brian Masse:** That's a good point, because even though there is finally some movement on day care now, it's still province by province, but the trades position often requires you to travel from province to province. If you have a dependent, that can be very stressful, because you don't know about the quality of the day care. Also, you may sometimes want to leave the dependent behind. If you had a better system in place, you could bring the dependent with you, especially for short periods of time, if you knew there was consistency in care.

**Dr. Diane-Gabrielle Tremblay:** We're talking about children.

**Mr. Brian Masse:** Yes.

**Dr. Diane-Gabrielle Tremblay:** I'm just going to complete on this and let it go to the other witness after.

We think of children, but also a lot of women take care of aging parents and aging spouses, and I think we're not doing so much on that in Canada. Companies—we did a survey on that—are more and more conscious of their responsibility towards children, but not so much towards other dependants. That's also important in your case, I think.

**The Chair:** Thank you very much.

We'll move to Mr. Williams for five minutes.

**Mr. Ryan Williams (Bay of Quinte, CPC):** Thank you very much, Mr. Chair.

Through you, I'm going to start with Mr. Suppa.

When we talk about shortages in your industry right now, how many jobs do you need to fill the industry, and what is the current dollar amount of that worker shortage in your industry?

**Mr. Ralph Suppa:** Are we talking skilled labour here?

**Mr. Ryan Williams:** Yes, that's right.

**Mr. Ralph Suppa:** I'll start because I represent more of the manufacturers and distributors of the products that we're talking about, but Tania can also weigh into that.

I believe the wages are in the \$25 per hour range, if I'm not mistaken, on the apprenticeship side, and the amount goes up in terms of the years of service as a journeyman and then as an actual mechanical contractor.

The sector is changing dramatically. I don't know the actual number. I think Tania brought it up as part of her opening statement as part of the workforce, so I'm not going to—

**Mr. Ryan Williams:** Maybe I can get a little more specific then. You talked about, in your joint submission to the natural resources committee, one in five workers retiring in the next five years. Is there a shortage right now that you know of in your industry?

**Mr. Ralph Suppa:** On the skilled trades side, I'll defer to Tania, because she has a better grasp on that one.

**Mr. Ryan Williams:** Sure, let's go to Ms. Johnston if we can, please.

**Ms. Tania Johnston:** I mentioned in my statement that one in five will retire in the next five years. They're also looking at 18% retirees by the year 2030, which estimates to around 260,000 skilled tradespeople who will be retiring by 2030, and there's already that skill shortage.

Could you repeat the first part of your question again?

**Mr. Ryan Williams:** It's the dollar amount.

**Ms. Tania Johnston:** That varies by province. Each province negotiates its own trade agreements.

In Ontario they just recently ratified theirs, and I think it's closer to that \$50 to \$70 range, depending on your years of service—apprenticeship, journeyman—and the classification that you're in.

It does vary by province.

● (1435)

**Mr. Ryan Williams:** Specifically, what do your industries need from the federal government in order to fill those skills shortages right now?

**Ms. Tania Johnston:** There are a few things we need.

One of them is, first of all, to address marketing around the skilled trades. Right now it has a negative impact. If you look at Europe, skilled trades are considered a high-class position, and then, for some reason, when we translated it over to the North American market it looks like it's a dirty job and not one that has a lot of potential, which is completely wrong.

If you look at the salaries of a skilled tradesperson versus a new lawyer even, their salaries are quite equal, minus the student loans and whatnot, so I think we just have to change that marketing aspect of the skilled trades and the potential that it involves.

There are a lot of technical aspects to the mechanical contracting trade as well. If you're not interested in getting your hands dirty, there are all kinds of new technologies and office work, project management work or estimating work that is quite attractive as well.

Marketing would be one, I think.

The second one is, of course, apprenticeship funding for bringing in more apprentices to the industry.

Third is to take a look at what it's going to take for us to reach the net-zero capacity that the government wants us to reach, in terms of whether we are ready to reach that and what we can do to upskill those potential employees.

I think we need to understand exactly where we need to be and what we need to do to get there.

**Mr. Ryan Williams:** Thank you very much.

Professor Tremblay, we have a shortage of a million jobs in Canada. We're missing a million jobs, and we have to look at a lot of different reasons.

From your perspective, what do we need to do to fill the majority of those jobs in the next year or two?

**Dr. Diane-Gabrielle Tremblay:** Well, I think some people have mentioned the various solutions.

We mentioned immigration as one of the solutions, but it's not the only one. Actually, I would say that is the main thing that we need to take into account. There's not one solution. There are many. The immigrants, yes, and women, if you make sure that women have the possibility to be in the labour market with day care. Eliminate discrimination in the highly masculine sectors. A lot of masculine sectors—we surveyed them again recently—don't see the interest in putting forward work-life balance measures, especially in terms of working time. They don't think that's interesting.

Actually, not only are women interested, but we had a survey with men in February, and men also say that work-life balance measures, work-life articulation and working-time issues are important for them.

We've mentioned mentoring—

**Mr. Ryan Williams:** Fantastic. I'm sorry, but I think I'm just about out of time. Maybe you could submit this in writing, if you don't have time to say it.

I think you had some immigration suggestions and maybe you could submit those in writing—the suggestions you would make to IRCC in order to fix some of those issues as well.

Thank you very much.

**The Chair:** Thank you, Mr. Williams.

We'll now move to Mr. Fillmore for five minutes.

**Mr. Andy Fillmore (Halifax, Lib.):** Thanks, Mr. Chair, and thank you to the witnesses for taking the time today and sharing their experiences. We're all very grateful.

I'd like to stick with the labour theme here. A number of colleagues on the committee have brought up some very fascinating points, and perhaps we can even get an answer to Mr. Williams' last question.

I'll start by noting that earlier today, Stats Canada released its job figures for May, which showed an unemployment rate of 5.1%.

That's now the lowest unemployment rate on record since we've been tracking it. In a way, it's a really positive economic indicator, but obviously, we have these terrible employee shortfalls, the million missing employees that Mr. Williams mentioned.

I'd like to tie this back to the federal and provincial governments. I want to direct this question to Ralph Suppa, Tania Johnston and perhaps Dr. Tremblay as well for her perspective.

How do the federal and provincial credentials and credentialing processes impact your ability to hire? That's about the credentials and what we can do better. Let's expand that to what we just heard about foreign credentialing and how we can acknowledge and accept foreign credentials on a faster basis.

If you'd like to jump in, either Ralph or Tania, please do so.

• (1440)

**Mr. Ralph Suppa:** I think we need a national strategy solution here. We've been piecemealing this. We need industry and government, provincially and federally, together to talk about these things.

Labour mobility is such an important topic right now. It's impeding movement. We also have, for example, Alberta and Ontario, which have different credentials. In Ontario, we used to have what was called OCOT, the Ontario college of trades, which would recognize the criteria. Alberta had its own recognition. What we're trying to do is create a level playing field right across the country to break down those barriers and meet a consistent need, so that it isn't a challenge, moving forward, right across the country.

We would propose a national strategy of the key people in each province, and federally and with industry. We're only one sector, on the plumbing side, but there's an electrical side and a heating side that are also facing the same challenges. That is one proposal we could put together as a solution.

Tania is very close to this as well, and then I'll also give it over to Professor Tremblay to tell us just...but Tania is living and breathing this every day in terms of her members.

**Ms. Tania Johnston:** We're already facing—and hearing from our members—a shortage of refrigerant mechanics needed to install heat pumps. Vancouver is facing this shortage. Our contractors are having to go to the U.S. to find people who can come up and assist in achieving this. They have had to send them to the U.S. for training. We've had industrial contractors in Sarnia who have had to go to the U.S. to find industrial mechanics to come up and work.

In the foreign worker program, there is a lot of red tape, as you all well know. By the time they get through the process—let's say it's six to eight weeks when they get the interviews—the people who get processed to come to Canada have moved on and are now working elsewhere, in the U.S.

If we can somehow address the temporary foreign worker program and speed up that process.... MC Canada belongs to an international alliance group with MC of America, Australia and England. Everybody is facing the same issues. We're working closely together to try and deal with some of this red tape as well.

**Mr. Andy Fillmore:** Just before we go to Dr. Tremblay, if there will still be time for her, I'll stick with the domestic trades here for a moment.

I wonder if you were aware that, several years ago, the past premier of Nova Scotia and the past premier of New Brunswick collaborated to harmonize the certification requirements for tradespeople. It turned out that they were different for different trades and different provinces, and you wound up competing and losing people who were siphoned off, so the idea was to harmonize all that.

If you've heard of that, I wonder if that's the kind of thing you think would be suitable across the country, so that everyone is working from the same playbook.

**Mr. Ralph Suppa:** Yes, Mr. Fillmore, I believe it dealt with gas fitters, and there are different requirements for gas fitters across the country. Through the Standards Council of Canada, we're working with them now to create a level playing field and make it a bit easier to move across the country.

There's work already happening, but it's a slow process, and sometimes some provinces have to be prepared to give something up at the expense of another province. That's why I mentioned before that industry needs to be engaged as part of these conversations.

**Mr. Andy Fillmore:** Do you have any comments on the ratio of journeymen to apprentices? I hear that the ratio is 1:1, and it needs to be maybe 5:1. Do you have any comments on the fact that there aren't enough journeymen or experienced tradespeople to go around?

**Ms. Tania Johnston:** That's exactly correct. With the retirements, you're seeing a lot of journeymen who are retiring, and for the contractors, there's that hesitancy to bring on apprentices, because it takes them so long to get upskilled, and they're not always keen to take on four or five first-year apprentices. They'd much rather have one journeyman.

**Mr. Andy Fillmore:** If there's any time left, Dr. Tremblay, is there anything at all you wanted to add?

**Dr. Diane-Gabrielle Tremblay:** I would agree with what people have said.

I might just add one thing, being from a university. I think we also don't do much to keep our foreign students. We spend a lot of time training these people, and, unfortunately, we don't keep them that much, and that's another source of labour force in Canada.

**Mr. Andy Fillmore:** How's my time, Mr. Chair?

**The Chair:** You're over by one minute.

**Mr. Andy Fillmore:** Thank you for your indulgence.

**The Chair:** That's no problem.

We don't have time, colleagues, for a full third round, but we have about five or six minutes left for questions, so I will go with the next one on list, Mr. Chambers, and then, Sébastien, Brian, Vi-

viane or Han, if you have any questions, just raise your hand to let me know, and we'll have some time for more questions.

Mr. Chambers—Adam—the floor is yours.

• (1445)

**Mr. Adam Chambers (Simcoe North, CPC):** Thank you, Mr. Chair, and welcome to our witnesses. Thanks for a rich conversation this afternoon.

In the couple of minutes that I have, Mr. Caron, you mentioned some of the prices that those in the agriculture community were facing, including for fertilizer. Have you heard from government about what it intends to do with the amounts collected from the fertilizer tariff as a way to perhaps alleviate some of the price pressures on the agriculture community?

[Translation]

**Mr. Martin Caron:** No. We have made requests on this subject, knowing all the more that beyond the tariff, the price is extremely high at the moment, and, unfortunately, we have not had an answer. This is why we are asking for a program to be put in place quickly to help agricultural businesses with their cash flow. We have not had a response.

[English]

**Mr. Adam Chambers:** Thank you very much.

I have a similar question and final question to Ms. Anghel. We know that the boat tax is going to affect a significant number of sales, but the government will get some revenue from the luxury tax.

Have there been any conversations about what the government might do with the revenue from the luxury tax to support a manufacturing industry for boats in Canada?

**Ms. Sara Anghel:** This has not been discussed with us at all. I'm not aware of what it's planning to do with the revenue.

**Mr. Adam Chambers:** Thank you very much.

**The Chair:** Thank you, Mr. Chambers.

[Translation]

Mr. Lemire, you have the floor.

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

Mr. Caron, I had the opportunity to speak in the House this week, including on several of the solutions that you mentioned to address the needs of the Union des producteurs agricoles, at least the ones that I have been told about back home. One of these solutions concerns the Advance Payments Program. It's about increasing the interest-free portion of the loan to \$200,000 to give our agricultural producers some breathing room.

Can you tell us more about that?

**Mr. Martin Caron:** I could let Mr. Tougas answer that question.

**Mr. David Tougas (Coordinator, Business Economics, Union des producteurs agricoles):** It would definitely give some sectors more cash flow. It's mainly the interest rebate that is interesting. You have to understand that in most sectors, like the grain sector, that additional amount is often reduced on the lines of credit of financial institutions. So it doesn't always provide real additional liquidity. However, with the rise in interest rates that we are seeing today, it is certain that the interest rebate does give some breathing space to all agricultural enterprises. As for the maple syrup sector, it works differently, but there is a very specific request from this sector to increase the interest-free portion of the loan to \$200,000.

**The Chair:** Thank you very much.

**Mr. Sébastien Lemire:** Thank you very much.

**The Chair:** Mr. Dong now has the floor.

[English]

**Mr. Han Dong:** Thank you very much, Chair.

I'm going to ask two quick questions—one each for Mr. Suppa and Ms. Johnston.

You talked about what we can do to lean on newcomers and also international students, but we recognize that in Canada right now there are hundreds of thousands of undocumented workers, and many are working in trades. They may not be fully certified, but they are working.

I want to get your opinion. Do you have any thoughts on undocumented workers who are currently in the country? What can we do to bring them into the trades or create a pathway for them to gain their status?

We'll start with Ms. Johnston.

**Ms. Tania Johnston:** I'm sorry, I'm unaware of that. It's kind of the silent question.

I will look into that and get an answer for you.

**Mr. Han Dong:** Do you have any comments, Mr. Suppa?

**Mr. Ralph Suppa:** I don't have an opinion on that, because I'm not too familiar with that sector.

To build on it, I think we need to do a better job of getting the fact of skilled trade opportunities beyond the high schools. We need to start at the grade schools. We need to start teaching young kids about the value of the trades, and that it's a noble trade. Once they get into high school, it may be a challenge, because in some cases they may have made their decision. I think we need to start at grade school.

Let's give the high schools back some tools and labs where they can start working on plumbing equipment or heating equipment or whatever it may be as part of the recognition and the move towards apprenticeship. We need to use some of those dollars to provide solutions right across the country and maybe start off with a couple of pilot projects in various sectors across the country.

• (1450)

**Mr. Han Dong:** Thank you, Mr. Suppa.

You mentioned in your opening statement that attention should be paid to the supply chain infrastructure to deal with the rising shipping costs.

Do you have any specific recommendations on what government can do?

**Mr. Ralph Suppa:** All I can say is good luck with that one. I don't know if we can control it. The stories I'm hearing.... Specifically, it was \$3,000 for a container shipment a couple of years ago, and now that number has risen to \$30,000 or \$35,000. In some cases, I'm hearing that my members' sales are up, but their profits are down because they have to pay wage inflation to their employees and also these additional costs. They can't go into the market and raise prices any longer, because it's just not competitive to do that.

If there's a way you can release the ports to get those shipping containers to move a little quicker, that would be a huge help. I know there are some struggles at the port of Los Angeles, in Halifax and other areas. Any way the government can help expedite some of those transfers would be awesome.

**Mr. Han Dong:** Does anybody else want to weigh in on this question?

Okay, I cede my time. Thank you, Chair.

**The Chair:** Thank you very much, Mr. Dong. That concludes our questions for today.

I want to thank all witnesses for joining us. It's been very informative for this committee as we pursue this study on small and medium-sized businesses and competitiveness.

You're free to go. Have a great weekend. Thank you very much.

For committee members, we have a motion by Madam Gray to discuss, so I will yield the floor to Madam Gray.

**Mrs. Tracy Gray:** Thank you, Mr. Chair.

I'm moving the motion I put on notice on Wednesday. It's a very short motion. It reads:

That, pursuant to Standing Order 108(2), the committee invite the Minister of International Trade, Export Promotion, Small Business and Economic Development and the Minister of Labour to appear before the committee at their earliest convenience on or before June 21, 2022, to answer questions on the committee study on small and medium-sized enterprises; that the ministers appear at the meeting exclusively for the purpose of this study and no other matters; and that this meeting be televised.

The context for this is to have the relevant members here to enable us to ask them questions on this important study. It's clear that we need to hear from the ministers on this study. I think I'll just leave it there.

Thank you, Mr. Chair.

**The Chair:** Thank you.

Are there any interventions on this motion before us?

I see Monsieur Lemire.

[Translation]

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

I support this motion, as it would be interesting to hear from the two ministers involved.

I would add that I am prepared for this to be done in September, because a committee meeting was cancelled last week, and there are witnesses we have not been able to invite back. But I want to make sure that we still have at least one meeting with those witnesses, because there are still important people on the list.

I would like to note one other thing. In terms of the committee report on the quantum study, perhaps half an hour would be sufficient. Maybe we could do it in the last half hour of the next meeting.

I will commit to sending my recommendations in advance so that they can be incorporated into the report. These are perhaps ways of trying to do a little more in the time set aside for the committee.

Thank you.

**The Chair:** Thank you, Mr. Lemire.

Mr. Dong, you have the floor.

[*English*]

**Mr. Han Dong:** Thank you, Chair.

My initial thoughts about this are that I saw the draft report on quantum computing. We spent some time on that, hearing the witnesses and all. I know we don't have much time left; we don't have many meetings left before the session ends. I would like to make sure that we put aside some time to wrap up that study. It appears there are a lot of persons interested in that subject.

With regard to asking the ministers to come over here and answer some questions, I think it's a good idea. I think it's their portfolio. The only thing I will point out is that the time prescribed in the motion is before June 21. I just don't know how realistic that is, given that one of the ministers is the Minister of International Trade. She travels all the time. I don't even know whether or not she is in the country.

Can I perhaps ask for a friendly amendment? Maybe take it away, remove it or replace it with "as soon as possible". Even if we as a committee prescribe a deadline, if that doesn't work out with her schedule, we will have to come back with another proposal. It's just a friendly amendment, and I want to see if my honourable colleague would consider that.

• (1455)

**The Chair:** Madam Gray.

**Mrs. Tracy Gray:** Thank you, Mr. Chair.

We have to recognize as well that we had main estimates but we didn't have the minister come and speak to us in this round, so we missed out on that opportunity. It's been months since we've had the minister come to this committee. Really, it expands on lines of questions that we have from all members here, where, for example, the officials weren't really able to answer any questions. There has been a desire, maybe loosely even talked about with the group, to have the minister come.

This just formalizes it, so that we can have it happen before we rise to go to our constituencies for the summer. Surely the minister

would be able to accommodate. We had a meeting that was cancelled, which was unfortunate, because then maybe that wouldn't have backed things up. That was really not in our control, for those of us on the committee anyway. I think it's a reasonable request considering the importance of the study and that we haven't had officials who have been able to answer questions.

**The Chair:** Brian, and then Andy.

**Mr. Brian Masse:** Thank you, Mr. Chair.

Real quick, I like this. This is actually a really smart thing to do, because it will also give a bit of a window onto what the minister's priorities are for the summer and fall. We're also going to start to get more legislation coming from private members' business and so forth later on. It's only going to get even more challenging.

I think this is great, and I sit on both international trade and this committee, so there has been a lot of duplication as well of stuff happening. I really support this and think we should wedge it in there.

It's also about the importance of these committees. We've had some meetings cancelled because of the complications of the House and so forth, and this committee is very important. I really like this idea, because again, we get a glimpse of what the minister might have up for the fall.

**The Chair:** Thank you, Brian.

Andy.

**Mr. Andy Fillmore:** Thanks, Chair.

I have a slightly nuanced position from what Brian just gave. Yes, we've had a number of meetings cancelled because of the machinations of the House. That should not be made the problem of the witnesses who have really generously offered to give their time and experience to us, nor should this motion cause witnesses who have already made arrangements in their lives to come and talk to us be further delayed or have their upcoming appearances preempted.

I feel like our duty is to the witnesses. This study is to hear from witnesses. We have access to the minister in various ways. I would just like to maybe open it for discussion, so that we hear from the folks whom we have already bumped before we go bumping them some more. I'd like to see how people feel about that.

**The Chair:** I see no more hands and no amendment on the table, so I think we are going to vote on the motion, if I am correct procedurally, Mr. Clerk.

Just as a note from my perspective, if I'm not mistaken, Madam Gray, there are two ministers in that motion. The clerk will attest that sometimes it's hard to get ministers to get by, but I think, from what I gather from the room and the virtual room, there is an interest from all sides in having the ministers come at the earliest possible point.

We'll vote on the motion as it is.

**Mr. Han Dong:** I'm sorry, Chair, I don't feel strongly that we should not have her here, so I make that suggestion. I don't think.... Maybe you can canvass committee members and see if everyone agrees.

**The Chair:** Is there a need for a vote? No.

[*Translation*]

(Motion agreed to)

I thank the interpreters, analysts, clerk and support staff.

**The Chair:** Thank you very much.

That concludes our meeting. I wish you all a great weekend.

The meeting is adjourned.

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