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RESPONSE OF THE FEDERAL
GOVERNMENT TO THE
RECOMMENDATIONS OF THE
CONSULTATIVE TASK FORCE ON
**THE CANADIAN
CONSTRUCTION INDUSTRY**



Government
of Canada

Gouvernement
du Canada



Canada

INTRODUCTION

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RESPONSE OF THE FEDERAL GOVERNMENT
TO THE RECOMMENDATIONS OF THE
CONSULTATIVE TASK FORCE
ON THE
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May 1979

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION	1
<u>PART I</u>	
Government Response to Task Force Recommendations - an Overview	3
<u>PART II</u>	
Detailed Response to Task Force Recommendations	
Industrial Relations and Effectiveness	5
Labour Education and Mobility	5
Management Education and Training	6
Major Project Capability	7
Government Procurement Practices	8
International Competitiveness	9
Research and Development	12
Demand and Supply Information System	12
Government Regulation	13
Government Programs	14
Taxes on Capital	15
<u>ANNEX I</u>	
Members of the Consultative Task Force on Construction	

INTRODUCTION

In February 1978, Canada's First Ministers initiated a process of private sector consultations on measures to improve the performance of, and the outlook for, the manufacturing, construction and tourism sectors in the Canadian economy. Twenty-three industry task forces composed of representatives of management, labour and the academic community were formed. Provincial government representatives also participated. By August 1978, each task force had completed a series of meetings and submitted a report reflecting conditions in their industry to the Federal and Provincial Ministers of Industry and to the public. These reports covered a broad range of themes and the recommendations contained in them are viewed by the federal government as important elements in the development of future industrial policies.

Following the work of the industry sector task forces, an Overview Committee was established consisting of five representatives from the Canadian Labour Congress, five from the business community, one from the academic community and a chairman from the private sector. This group worked from the task force reports, identified common viewpoints, and presented policy recommendations applicable both to the economy generally and to specific industries. The Overview Committee presented its report to Governments in October 1978.

In reviewing the prospects for industrial growth over the next number of years, the reports prepared by the industry task forces and the Overview Committee addressed two objectives in particular. The first, was to improve the competitiveness and productivity of Canadian industry. The second was to create long-term employment.

In assessing these reports, and the Government's responses, a number of themes emerge which are of particular importance and which might be viewed as providing a framework for the recommendations of business and labour as well as the responses of the federal government. These themes focus on measures to increase industrial competitiveness, especially by building on comparative advantage, the support of regional economic development goals and the enhancement of Government, business and labour co-operation.

While the substance of what has emerged from the task force and Overview Committee reports is of utmost importance, the Government believes that the emerging process of Government/private sector consultation is of equal value. In this regard, the federal government views the results of these consultations as a significant framework for evaluating existing policies and programs and for designing new ones.

As part of its commitment to the consultative process, the Government has undertaken to respond to the recommendations of each of the 23 task forces and to those of the Overview Committee. An initial Government response was released in November 1978 entitled "Action for Industrial Growth - A First Response". A specific response to the task force recommendations with respect to taxation measures was included in the Budget Papers of November 16, 1978. On February 21, 1979, the Government released its response to the forty-six recommendations made by the Overview Committee. The Government agreed with and outlined measures in relation to the overwhelming majority of these recommendations. This document, Response of the Federal Government to the Recommendations of the Consultative Task Force on the Canadian Construction Industry, constitutes one of the twenty-three detailed federal government responses paralleling the task force reports and should be viewed as part of the ongoing consultative process.

It is recognized that the implementation of policy initiatives indicated in these responses will, in many cases, take some time and that a few other policy issues have yet to be fully addressed. The Government will, therefore, be continuing to respond to the industry task force reports. The Government also believes that continuing consultations between business, labour and Government on specific industry sector problems are a vital part of this further work. Finally, the Government recognized that in responding to the recommendations, not all participants of each task force will be satisfied. In a number of instances, dissenting reports were submitted along with or after completion of the task force report. The Government is committed to addressing all recommendations contained in these reports.

PART I

GOVERNMENT RESPONSE TO TASK FORCE RECOMMENDATIONS - AN OVERVIEW

The report of the Consultative Task Force on Construction presented three main goals. These were:

- increasing the efficiency of the construction industry;
- achieving more effective utilization of domestic demand including major capital projects; and
- increasing export capabilities.

In addressing these goals, the task force made recommendations in these areas: industrial relations; management and labour education; exports; demand forecasting; public and private procurement; research and development; government programs and regulations, and taxation. The Government strongly endorses these goals for the industry and agrees with many of the recommendations put forward to achieve them.

To assist the industry in attaining increased efficiency, the Government has agreed to sponsor consultations between management and labour on the subject of labour relations. In addition, the Government will now actively search with the private sector for appropriate measures which will improve the training opportunities and mobility of the construction labour force. The Government in endorsing the task force recommendations aimed at achieving better co-ordination of management training as recommended will establish a consultative group to help design the best means of achieving this.

New technology and techniques will also enhance productivity. The recent actions which the Government has taken to encourage research and development and the recent changes to the Enterprise Development Program will further assist the construction industry in developing research capabilities. At the same time, the Government is seeking better means for the transfer of new technology to the construction site. The most immediate step taken in the November 1978 Budget is the inclusion of construction machinery and equipment as part of the investment tax credit scheme. These new incentives will enable the industry to acquire up-to-date equipment.

In order to utilize domestic demand more effectively, particularly in the area of major capital projects, the Government has initiated a Task Force on Industrial and Regional Benefits from Major Canadian Projects. Senior executives from industry and labour together with representatives of the provincial and federal governments will examine the areas of opportunity and make specific recommendations on measures which can be implemented to ensure that Canada derives maximum industrial benefits from major domestic projects. The Government is also examining with the provinces how the use of procurement procedures can support industrial competitiveness. It will explore the benefits to be derived from a demand and supply information system.

With regard to increased export capability the Government, through the Export Development Corporation, has introduced a surety insurance program for the construction industry. In addition, the Government has established the Advisory Committee on Export Promotion which is to assess the adequacy, accessibility and relevance of the current range of export support services. The membership of this committee is composed of representatives from business and labour. The Government has opened a new embassy in Kuwait with responsibility for the Arabian Gulf countries. The Trade Commissioners dispatched to new postings are being briefed on the interests and capabilities of the construction industry. The possibility of seconding Canadian business and government experts to developing countries is under consideration. The Government believes that these steps, in conjunction with those aimed at increasing the efficiency and technological development in the industry, will provide a suitable base for enhanced export capability.

PART II

DETAILED RESPONSE TO TASK FORCE RECOMMENDATIONS

INDUSTRIAL RELATIONS AND EFFECTIVENESS

1. Recommendation

That the federal Department of Labour initiate and conduct, in conjunction with the provincial Departments of Labour, meetings on a multi-provincial or national basis between management and their representatives, and labour representatives, both local and national, to discuss and explore in detail improved approaches to collective bargaining and to ensure that the construction industry continues to increase productivity.

Government Response (Agree)

With the support of First Ministers, the Overview Committee has instituted a Labour Relations Committee to study issues currently in general contention between management and labour. Any measure of agreement the Committee can develop on these will constitute a major step forward in labour relations in Canada.

LABOUR EDUCATION AND MOBILITY

2. Recommendation

That in order to make more effective use of Canadian construction manpower:

- a) Governments co-operate with construction's labour and management to develop appropriate and flexible ways and means to carry out the necessary education and apprenticeship programs both on-site and in the classroom. The implementation of such measures is considered to be urgent and would improve the supply of skills required by the industry while creating new opportunities for Canadians and reducing our historic reliance on imported skills;
- b) Government authorities responsible for construction tradesmen's qualifications increase the degree of standardization of labour training and proficiency requirements;
- c) Governments and the industry improve the mobility of construction workers across Canada by supporting and being responsive to the work of the Joint National Task Force on Construction Mobility.

Government Response (Agree)

The federal government provides extensive apprenticeship training support and is exploring the means by which greater emphasis can be given to on-site industrial training. In particular, the

Government is developing proposals for \$20 million for Critical Trade Skills Training, which will concentrate on increasing training in key high-level blue collar skills including certain emerging specialized skills in the construction sector. The Government is also channelling a further \$20 million into the Canada Manpower Industrial Training Program.

The Government will also investigate ways in which funding for apprenticeship programs may be used to address particular problems, such as maintaining apprenticeship levels during periods of economic slack, and is prepared to explore with management and labour means of obtaining greater private sector participation in skill training.

Tradesmen's qualifications, labour training standards and proficiency requirements are provincial responsibilities. Nevertheless, the federal and provincial Ministers of industry have urged the First Ministers to address the need for greater harmonization of labour legislation and trade certification practices across Canada and to direct that specific initiatives be undertaken to this end. In this connection, through the interprovincial "Red Seal" program, there is co-ordination of provincial certification standards in many trades.

The Government agrees that mobility is a critical issue and very soon after receiving the task force report established a joint industry-labour task force on construction mobility. This task force will examine ways of ensuring that qualified Canadian construction workers will be available when and where needed. The federal government strongly supports the mandate of this task force, which is to make recommendations to labour, industry and governments on strategies to encourage greater mobility within the construction industry.

MANAGEMENT EDUCATION AND TRAINING

3. Recommendation

That the federal government support the establishment of the proposed National Construction Industry Education Institute within the framework of the Canadian Construction Association on an appropriate government/industry cost sharing basis with the objective of co-ordinating construction management education and training throughout Canada in co-operation with the provinces.

Government Response (Agree in part)

Because of the importance the Government places on industrial management capability, a review is being conducted on the adequacy of current management training programs. While Government support for management training extends only to first-line supervisors, the CEIC will also examine the scope for expanding its programs of first-line supervisor training.

MAJOR PROJECT CAPABILITY

4. Recommendation

That the federal and provincial governments:

- a) Co-operate toward developing a national mechanism to ensure that capable competitive Canadian firms and individuals are given opportunities to participate to the maximum extent in major domestic projects, particularly in the natural resource, energy and petrochemical fields;
- b) Undertake judicious procurement practices to provide greater opportunities to the private sector in the overall management (engineer-procurement-construction) of major domestic projects so that experience at home can be used to secure and profitably complete overseas projects of similar scope;
- c) Initiate a concerted effort to make available to private industry, expertise and technology resident in government departments, public utilities and Crown corporations. This would include technical participation, as practical, of government agencies in major domestic and foreign construction projects if requested by industry;
- d) Encourage more competitive procurement of goods, labour, and services in Canada by reducing provincial and territorial practices either stated or implied and at the same time by developing mechanisms to facilitate sourcing from slow growth regions of products and services that have a competitive potential.

Government Response (Agree in principle)

The Ministers of Industry and Trade agreed, at their meeting on November 7, 1978, that major new industrial projects being planned should provide growth opportunities specifically for Canadian industry. In line with this agreement, the Minister of Industry, Trade and Commerce has established a Consultative Task Force on Industrial and Regional Benefits from Major Projects. As was the case with the construction group, this new task force is composed of members of the industry, labour and academic communities with representation from the provinces. Its mandate is to consider the long-term contribution that the realization of major projects can make to the growth of Canada's technological and industrial base, identify any impediments and make recommendations aimed at improving the industrial benefits to be derived from capital projects. The task force report is expected in early 1980.

The Government will also be undertaking a comprehensive review of its policies, programs and practices related to exports and export promotional activities by Canadian industry. One of the issues likely to be discussed is the question of government expertise and technology and its availability to the private sector for use in major domestic and foreign construction projects. Further details in response to Item d) may be found under Recommendation 5.

GOVERNMENT PROCUREMENT PRACTICES

5. Recommendation

That within the comprehensive construction programs administered by federal and provincial governments and agencies, greater economies and efficiencies be obtained in the execution of their construction projects by:

- a) Maximum use of the competitive market through the services of accountable private designers and contractors;
- b) Adoption of value engineering principles in the design phase and consideration of the introduction of Value Engineering Change Proposal incentives for contractors during the construction phase;
- c) Avoidance of "fast track" procedures on major projects and the return to those involving more conventional procedures such as lump sum general contracts;
- d) Reduction of the traditional "bunching" of estimating and construction work due to tender calls being concentrated in the summer months.

Achievement of such greater economies and efficiencies should, as a matter of course, exert a beneficial influence throughout the industry especially in relation to its role as a supplier to Government.

Government Response (Agree in principle)

The Treasury Board issued in June 1978 a General Policy and Guidelines on the Management of Major Crown Projects and is preparing a project management manual. Both the Department of Public Works and Treasury Board will be examining these recommendations as they relate specifically to federal procurement policies for construction.

The federal government recently announced a series of measures which together constitute a "National Purchasing Policy". The steps include a new Source Development Fund funded at \$25 million over its first year of operation. The Fund will provide the extra money needed to help Canadian firms develop products, particularly high technology items, not currently manufactured in Canada.

Because of "best-value-for-money" requirements in the Government's purchasing, it has been difficult to pay the extra costs involved in developing Canadian products as sources of supply. The Source Development Fund addresses this problem.

Tied to the Fund is a new "Purchase Review System" which provides for early consultation with industry and increased co-ordination within the federal government with respect to planning of the Government's larger purchases. Other measures in the policy include increased profit rates for Government suppliers who contribute to industrial development goals such as increased employment, investment, and regional growth. The Government will also increase the value of contracts let in high-unemployment areas; the membership of the Canadian Government Specifications Board, now an internal Government body, will be broadened to include representatives from all levels of Government, business, labour, and consumer groups; a continued drive to involve Canadian firms in Government sub-contracting, especially small business and firms in high-technology areas; and a determined effort to co-ordinate the purchasing policies of the federal and provincial governments to maximize the impact of governmental purchases on the Canadian economy.

INTERNATIONAL COMPETITIVENESS

6. Recommendation

That the federal government, in consultation and co-operation with provincial governments, seek solutions to overcome disadvantages faced by the Canadian construction industry in the international market. Governments should aggressively encourage and support the construction industry, both at the level of industry associations and individual firms, towards expansion of profitable participation in the design, procurement, construction and management of projects abroad. (See also recommendations under "Major Project Capability").

This recommendation may be implemented in part by:

- a) Rationalization, reorganizing and co-ordinating government agencies and departments involved with export development, to further encourage and support the Canadian construction industry's efforts in the export market;
- b) Improving and extending ways and means for co-operative government/industry involvement in order to secure and complete projects abroad and sustain market opportunities. Areas contemplated are: government-to-government administrative and cost supervisory arrangements, establishment of consortia, government support for securing bid and performance bonds and risk sharing with private enterprise;

- c) Ensuring that government incentives are consistent with industry needs and are administered in recognition of the special nature of construction contracting in foreign markets. Incentive programs should be sufficiently flexible to permit adjustments or exceptions in program criteria (e.g. Canadian content, local costs financing) in response to special circumstances;
- d) Reviewing, and amending where necessary, taxation regulations governing income earned or losses incurred abroad in order to provide tax incentives to encourage Canadian firms and individuals to become more competitive in foreign markets;
- e) Strengthening Canada's diplomatic and commercial representation in rapidly expanding market areas, such as in the Middle East, Central America and certain parts of Africa as well as supporting industry-sponsored trade centres where significant market opportunities exist;
- f) Developing effective mechanisms for the secondment, on a cost reimbursable basis, of Canadian business and government experts as advisers to the governments of financially viable developing countries with large potential for Canadian construction expertise, e.g. Saudi Arabia, Nigeria, Algeria. Such advisers would assist foreign governments to develop construction administration and technology. Their presence would be an influence upon foreign decision-makers in favour of Canadian goods and services;
- g) Opening of discussions with United States authorities in areas of mutual interest such as reciprocity of acceptance and access of construction products and services between Canada and the United States. An example of immediate discussions is the mutual acceptance of in-plant official inspection and standards for factory produced buildings and components.

Government Response (Agree in principle)

The thrust of government policy directed at growth must be to contribute to conditions that enable Canadian business and labour to excel in the provision of goods and services competitively to Canadians and to foreign markets. The Board of Economic Development Ministers will be responsible for identifying areas where existing programs and policies should be improved and more effectively co-ordinated in order to support and encourage industries to become more productive and internationally competitive.

A number of these issues will be examined by the Advisory Committee on Export Promotion. The committee, composed of senior businessmen and representatives from labour and the academic community, will assess the adequacy, accessibility and relevance of the government's export promotion services. This committee will meet with provincial governments and major associations, such as the Association of Consulting Engineers of Canada and the Canadian Construction Association, as well as others involved in the development of Canada's export trade. In addition, it will review briefs from interested businesses and other elements of the private sector across Canada.

In the area of government export incentives to the industry, the Export Development Corporation introduced in mid-September a surety insurance program for the construction industry which will provide particular support on projects in the Middle East and other third world countries. The EDC rule for overseas construction projects is now that there be at least 30% direct tangible Canadian content. In addition, ITC and the Department of Finance will look at the whole issue of the non-comparability of EDC terms and facilities. If EDC is shown to be less competitive than similar agencies in other countries, then the cost-benefit of matching the system in these other countries, consistent with our international obligations, will be examined. The Government will also undertake a study of methods to improve the financing arrangements for offshore projects for which neither existing EDC nor CIDA support seems appropriate. There is also to be an examination of the impact of tying aid, and consideration will be given to whether opportunities exist for the more effective use of tied aid providing it is consistent with the Government's overall aid strategy and its broad approach to industry support.

A new embassy has been opened in Kuwait with responsibility for the Arabian Gulf countries. The opening of other new diplomatic and commercial posts is being held in abeyance because of the current restraint on Government spending. Officers in the Construction Division of ITC are ensuring that Trade Commissioners, prior to new postings, are aware of the interests and capabilities of the Canadian construction industry.

The issue of secondment on a cost recovery basis of Canadian business and government experts to developing countries is currently being examined by the government.

With reference to the last item of the recommendation, it should be noted that the Government is currently concentrating its efforts respecting trade liberalization in the Multilateral Trade Negotiations. In the event that the results of these negotiations, which are expected to conclude in mid-1979, do not fully meet the concerns of the industry, the Government will be prepared to consider other possible approaches including bilateral arrangements.

RESEARCH AND DEVELOPMENT

7. Recommendation

That the federal and provincial governments co-operate in the formulation, implementation and promotion of policies and programs that would encourage and facilitate expansion of the technological knowledge base of the construction industry. Such a general broadening of the knowledge system in the industry would facilitate technological transfer to, from and within the industry, putting research into practice along with the development and application of new and improved procedures and practices. As an immediate measure, Governments should revise existing research and development incentive programs such as the Enterprise Development Program of the Department of Industry, Trade and Commerce to be explicitly responsive to construction industry requirements in the context of this issue.

Construction research and development is deemed by the task force to include:

- both scientific and empirically based research and development;
- research and development aimed at encouraging productivity through improved construction management technology and construction procedures and processes;
- computer software (e.g. as related to structural design and management systems).

Government Response (Agree)

Business service enterprises are eligible to apply under the innovation assistance element of the Enterprise Development Program to the extent they meet the program criteria, including the significant burden test and the restrictions concerning the nature of projects eligible for support. The Government has undertaken an assessment of current support to sector-oriented R & D. In the recent Budget, the basic investment tax credit for R & D was doubled to 10%. In the Atlantic Provinces and the Gaspé, this credit will now be 20%. A special tax credit of 25% is to be provided to small business corporations.

DEMAND AND SUPPLY INFORMATION SYSTEM

8. Recommendation

That the federal and provincial governments co-operate with the support of industry in the development and use of a central construction demand and supply information system which would serve as a base for projections of private and public construction demand over a period of from two to five years.

Government Response (Agree)

The issue of a demand and supply information system for the construction industry was the subject of recent meetings between representatives of CIDC and senior ITC officials. Following further review within ITC, a somewhat modified proposal for monitoring major capital projects was placed before provincial Deputy Ministers of Industry and Commerce. If the provinces are interested in this less ambitious system, the federal government would be willing to chair a federal-provincial task force to examine the technical details and the costs of such an arrangement. To date, the provinces have not developed a substantive response.

GOVERNMENT REGULATION

9. Recommendation

That the impact of Government regulation on the performance and costs of construction and other industrial activity be assessed, with the purpose of recommending improvements. The construction industry:

- a) Welcomes the study by the Economic Council of "economic regulation at all levels of government" commissioned by First Ministers, and directs the Council's attention particularly to the benefits to be gained from greater harmonization among and within provinces with regard to construction-related codes, standards, regulations and labour qualifications; from rationalization of the requirements to protect the natural and social environment; and from reduction in the paperburden;
- b) Recommends the inclusion of economic and social criteria in the assessment of codes and standards related to the construction industry at all levels of Government, and the publishing of economic impact statements detailing in a quantitative manner the costs (on the industry and its clients) and the anticipated benefits of each code or standard;
- c) Commends provincial governments for adopting the National Building Code or uniform building standards based on it, and urges them to expedite the implementation of the latest amendments to that code and the adoption of other construction related codes and standards in order to improve the mobility of the construction industry;
- d) Urges upon the provincial governments the need for the rationalization and streamlining of the large number of approvals in the land development process which lead to long delays, restricted supply and high prices, in order to reduce significantly the costs which are now borne by residential, industrial and commercial clients;

- e) Supports the resource processing and similar industries in their concern that in applying environmental regulations full consideration be given to the cumulative effect of legislative requirements in all jurisdictions and by all agencies, and to the specific regional and corporate situation.

Government Response (Agree in principle)

A number of actions are underway in an attempt to reduce the impact of government regulations on the performance and costs of construction and industrial activity in general.

The Economic Council of Canada has begun its study on government regulation. This review will involve assessing the applicability of socio-economic or other analysis of existing regulations, setting up a structure to ensure reviews occur, examining ways to solve problems resulting from the shared nature of certain regulatory activity among federal departments and between federal and provincial governments. In addition, individual departments will be directed to implement consultation at the problem definition stage with interested parties on proposed new regulations where such consultations do not take place at present.

In response to the Overview Committee, the federal government has noted that it is conscious of the difficulties underlying labour's concern regarding the serious limitations in utilizing cost-benefit analysis in determining the adequacy of certain regulations. Significant difficulties do exist in assigning quantitative values that reflect a broad societal consensus. The Government is committed therefore to making such studies publicly available prior to implementing regulatory change that might arise from them. This will give interested parties a chance to publicly question the values so assigned.

In addition, the Department of Environment has undertaken to review implementation strategies and develop environmental priorities which will allow compliance schedules to vary according to priority requirement and report to Cabinet early in 1979. The department will also examine current relationships with the provinces and encourage the provinces to implement the socio-economic impact analysis approach in establishing their own environmental regulation.

GOVERNMENT PROGRAMS

10. Recommendation

That the federal and provincial governments review their industrial development policies and programs to establish their impact on construction and amend these, where necessary, to ensure that the programs encourage and facilitate the efficient development of the Canadian construction industry.

Government Response (Agree)

The recommendations of the industry task forces and the Overview Committee brought to Ministers' attention the fact that many of the Government's programs and services are either not as well known and understood or not as responsive as they need to be. A major concern of the Board of Economic Development Ministers will be to evaluate the effectiveness of various policies and programs and to ensure the effective and co-ordinated delivery of federal economic program and services.

As indicated under Recommendation 7, Business Service Enterprises are eligible for innovation assistance under the Enterprise Development Program providing they meet the required criteria. Regional boards of EDP have been set up in order to improve access to the program for small and medium-sized firms.

TAXES ON CAPITAL

11. Recommendation

That in order to regain the advantages of investing in Canada by reducing the capital costs of manufacturing, resources and energy development; and in order to restrain the increase in housing prices and rents, as a factor in living costs and wage demands:

- a) Federal and provincial governments eliminate, or if this is not possible, reduce sales taxes on building materials; for long-term effect and ease of administration, partial reductions should be selective, deep and continuing, rather than temporary and shallow, across-the-board measures;
- b) Provincial governments, as a means of encouraging productivity, extend to the construction industry the exemption from sales tax of production equipment now applicable to the manufacturing and resource industries.
- c) The federal government extend to construction activity the lower rates of corporate income tax applying to manufacturing and processing.

Government Response (Disagree)

The federal government does not agree with this recommendation and its response to the Overview Committee on this issue is as follows: "The sales tax rate on building materials has been reduced from 12 to five per cent. The Government has a wide range of measures that support housing. Further reductions in the sales tax on building materials would reduce the size of tax reductions that could be made available to the economy in general. The Government does not believe that providing additional tax concessions to this sector, at the expense of other taxpayers, is appropriate at this time. It should be noted that the proposed enrichment and extension of the investment tax credit in the recent budget acts to lower the costs of investments in buildings and other structures, and this acts to stimulate the construction sector, in much the same way as would a reduction in commodity taxes. The proposed changes to the investment tax credit have the desirable feature of also applying to investments in machinery and equipment."

Similarly the Government cannot agree to extend to construction the corporate tax measures designed to benefit the manufacturing sector. Taxes paid are a cost of doing business and caution is advised in viewing taxation as an important means of offsetting costs of business. A more satisfactory approach is to concentrate an improvement in efficiency and productivity which themselves will operate to lower directly these other costs. Concentrating on root causes may well require any one of a number of policies in the areas of industrial development, manpower, trade and taxation, to name a few. Such an approach is likely to provide more lasting benefits to Canada than is an approach that used tax changes to attack the symptoms of difficulties in the Canadian economy. Many businesses in the construction industry qualify for the lower federal tax rate applicable to small business. As a result of these provisions, the overall federal tax on the construction sector as a percentage of taxable income is lower than in the manufacturing sector.

ANNEX I

MEMBERS OF THE CONSULTATIVE TASK FORCE ON CONSTRUCTION

Chairman Mr. H.K. Morley, Chairman of the Board and
Chief Executive Officer, Costain Limited

Vice-Chairman Mr. R. Stollery, Chairman of the Board and
Chief Executive Officer, Poole Construction Limited

Secretary Mr. J.A. Dawson, Director General
Construction and Consulting Services Branch
Department of Industry, Trade and Commerce

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