

would also be of assistance. This would mean utilizing design standards so that Canadian suppliers can compete effectively. It would also mean breaking up the work such as project management, engineering and so on into smaller packages so that Canadian-owned firms can participate and subsequently expand to meet more extensive portions of work requirements.

The visibility of major projects puts pressure on their proponents to perform in a manner that is in the best interests of this country. Because of the significance of major hydrocarbon projects, the level of government involvement is high. Under the *Canada Oil and Gas Act*, companies operating north of 60° must conform to a Canadian Benefits package. In sectors where Canadian firms are nonexistent or uncompetitive, however, project sponsors cannot be expected to maximize Canadian content. Project sponsors, suppliers and the Federal Government need to work co-operatively to advance the participation of Canadian enterprises in major projects such as Beaufort Sea Region development.

The Committee recommends:

That the Federal Government adopt a stronger lead role in co-ordinating and monitoring the efforts of the project sponsors, the manufacturing sector and labour in the formulation and implementation of an industrial strategy to ensure maximum Canadian participation.

Maximizing Canadian industrial benefits depends considerably on the timing of the numerous Canadian megaprojects on the horizon. The data that the Office of Industrial and Regional Benefits of the Department of Industry, Trade and Commerce is collecting could form the basis for an anticipatory approach to megaproject activity in this country so that Canadian business and labour will not be caught off guard by sudden "project-go-ahead" signals. Otherwise, if several megaprojects were to proceed simultaneously, there could be a major problem in the form of supply bottlenecks. Examples of other potential megaprojects are oil sands development, arctic gas pipeline development and the Hibernia project. This would not only have an inflationary effect caused by excessive demands for materials in short supply but would also prevent Canadian suppliers from fully enjoying the opportunities presented.

Project timing and the available pool of skilled labour will also determine Canadian labour's participation in major projects. A number of recent labour market studies, according to the Canada Employment and Immigration Commission (CEIC), have identified possible future manpower shortages in some engineering specialties and highly skilled trades such as shipyard welders, pipefitters and ships' engineering officers. The last item is of special concern to the Committee since the safety and reliability of tanker transport will depend greatly on the level of expertise of crew members. Some of the current surpluses in certain job categories (Table 2) could well turn into shortages when development accelerates. Training programs will be required in order to improve employment skills. Although government is making some headway in providing training programs to meet occupational needs, projects of short duration present a special problem. Peak occupational demands may be followed by a slump in that occupation. Demands that were high when training commenced may have hit a downturn by the time training is completed. That is why forewarning on needs is required so training can be timed to meet them. If other projects go ahead at the same time, Canada will have difficulty in providing a stable supply of trained personnel.