

In 1984, three out of four establishments did not provide any formal training....Moreover, in firms offering training, evidence shows that it is directed in large part to employees who already have above-average education and pay<sup>97</sup>.

While "the Council believes that the responsibility for training the unemployed -- some one million -- rests primarily with the government....[and that] the responsibility for most of Canada's training effort -- training the 12 million or so employed -- rests with the private sector", it also recognizes "that the private sector will not increase its training efforts simply because it is exhorted to do so" and recommends "establishing a corporate tax liability that would be offset completely if a firm provided a base level of training". But, even though "the Council recognizes that without appropriate safeguards [it] might produce only a minimum level of incremental training", it suggests that "such a tax liability should be set at a relatively low level, so that employers would have little difficulty matching it"<sup>98</sup>.

While business response to the Council's proposed shift of training responsibilities to business has generally been positive<sup>99</sup>, there is resistance from some business circles to what amounts to a payroll tax<sup>100</sup>. The Province of Ontario is considering such a programme of its own, but it appears likely to raise some of the same objections. At a recent conference organized by the Canadian Manufacturers Association and the Premier of Ontario, agreement could not be reached even that businesses should be primarily responsible for training their own employees, although the consensus among the participants had clearly shifted towards that view.

Although governments at various levels remain committed to higher education and training, government spending in these areas has not kept up with either inflation or the growth in enrolment. Statistics Canada reports that federal government payments for education and training will total \$6.7 billion this year, up 1.8 per cent over last year. This contrasts with a 3.6 per cent increase in total federal government spending, exclusive of debt servicing charges. Nor is this a one-time reduction. The average federal funding increase reported for the period 1985 to 1989 has been 2.3 per cent, while the rise in the Consumer Price Index over the same period -- which many believe to under-represent the level of inflation for post-secondary institutions -- has been 4.2 per cent<sup>101</sup>.

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<sup>97</sup> ADVISORY COUNCIL ON ADJUSTMENT, 1989. Adjusting to Win, Ottawa: Supply and Services Canada, p. 42.

<sup>98</sup> *Ibid.*, p. 44.

<sup>99</sup> *Financial Times*, 1989 "Bouncing into job retraining", April 3.

<sup>100</sup> *Montreal Gazette* 1989 "Report Links Tax to Training", March 30; and "de Grandpré report split", April 14. In fact, the Canadian Federation of Small Business has withdrawn from the Alliance for Trade and Job Opportunities because the CFIB does not support the proposal for a training tax.

<sup>101</sup> This matter is fully discussed in CANADA. Standing Senate Committee on National Finance 1987 Federal Policy on Post-Secondary Education.