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# **Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities**

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**Chair**

**Mr. Dean Allison**

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## Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities

Monday, October 23, 2006

•(0805)

[English]

**The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)):** I would like to call this meeting to order. Pursuant to Standing Order 108(2), a study on employability in Canada, I would like to get this meeting started.

I want to thank the guests right off the top for coming out. We appreciate your taking the time. We know you're busy individuals.

We want to give you just a few housekeeping items right now. We have until 9:30, so after each organization has had their seven-minute opening, we'll then proceed with questions from the committee members, and they'll have some time to question you on some of your thoughts.

Once again, thank you very much for coming and helping us with our study of employability, which we can take back and make recommendations on.

Why don't we start with the physicians. Who is going to speak on their behalf?

Mr. Jong, seven minutes.

**Dr. Michael Jong (President, Society of Rural Physicians of Canada):** Good morning, honourable members.

Let me begin by thanking you for the opportunity to appear before your committee to speak on behalf of the Society of Rural Physicians of Canada. My name is Michael Jong, and I am a rural physician in Goose Bay, Labrador. I am the president of the Society of Rural Physicians of Canada.

I am joined here today by two other members of our society. Dr. John Wootton is a rural physician in Shawville, Quebec, editor of our *Canadian Journal of Rural Medicine* and former director of the office of rural health at Health Canada. Dr. James Rourke was a rural doctor in Goderich, Ontario, for 25 years before becoming dean of Memorial University's medical school here in St. John's.

The Society of Rural Physicians of Canada is a voluntary professional organization and national voice for Canadian rural physicians. I consider it a privilege to be here today to speak to you regarding human resources solutions to rural health access problems.

You may wonder why I'm here today. I and my rural physician colleagues are faced on a daily basis with the sad realities of limited access to health care in our rural communities. I know some

honourable members with rural constituencies who are very familiar with this.

Let me give you some examples. I had a patient who preferred to die rather than relocate to get dialysis. I've had patients who've had to mortgage their homes in order to continue to receive cancer care in a faraway place, without the support of their families and friends. Mothers and babies in rural remote communities are routinely evacuated from their homes, their families, their communities, their culture, and their support systems so that they can be assured of appropriate care during childbirth. Women who are 35 or 38 weeks pregnant have to leave their loved ones behind and travel somewhere else for what is the most important time of their lives, sometimes for as long as eight weeks.

Rural health is in need of repair. The Centre for Health Information's report in September 2006 on the health of rural Canadians shows that rural residents have higher mortality rates and shorter life expectancies. Those living in the most remote communities are the most disadvantaged. Life expectancy is lower in rural areas as compared to urban areas by as much as three years.

Health care access is a major concern for rural Canadians. While 31% of Canadians live in rural areas, only about 17% of family physicians, and 4% of non-family medicine specialists, practise there. The rural problem is one of access.

Urban-focused approaches, such as the wait times strategy, have made important gains in reversing some of the efficiency losses caused by reductions in operating times and days. These measures have limited or no rural impact, where the system is already very efficient. Although the rural population has poor health status, the cost of capital in dollars spent on the health care providers engaged is well below urban standards.

Dealing with this issue is the most complex and challenging aspect of health care policy. Mr. Romanow suggested that we devote \$1.5 billion to developing a comprehensive rural health access strategy. To be fair, a significant commitment is needed to address this problem. However, significant gains can also be made on an incremental basis.

To build a strong link between rural health and the national economy, we cannot ignore the link between health care and the sustainability of rural communities. Having access to health care is important in ensuring that people will be willing to live, and companies will be willing to develop industries, in rural communities.

From a sovereignty, self-sufficiency, and economic perspective, rural depopulation has negative long-term implications for our country. The primarily rural-based natural resources sector accounts for approximately 40% of our national exports. Canada's rural natural resources provide employment, forest products, minerals, oil and gas, food, tax revenue, and much of our foreign exchange.

Health care is a service industry, and it requires professional human resources.

● (0810)

The ability to provide health care is very dependent on the ability to recruit and retain highly and broadly skilled professionals. Because of the challenges of isolation, sicker patients, and limited infrastructures, rural communities need the best doctors with a broad range of skills sets. The Society of Rural Physicians of Canada believes it's time to take a step forward and proposes the following human resource solutions—and I believe you have them in front of you.

Rural access scholarships will increase the medical education of rural and remote community residents, who are ten times more likely than urban-based students to choose rural practice. The other solutions are rural access development programs; enhanced training of residents in rural residency; rural medicine skill enhancement programs; expansion of medical schools to the rural communities, to provide training of medical students in rural communities during an entire clinical training period, thereby leading to higher retention of medical graduates in rural communities; rural health research; and a national rural medical round table.

Why do we do this today? Right now, we have to. There is a serious lack of services in rural and remote communities. We can fix this, but it requires political will and leadership. We need a specific rural health strategy that is formulated not by urban-based policy-makers but by rural communities and rural health professionals.

Rural communities need the best-trained doctors, and many more of them. We believe that we—health care professionals, legislators, and policy-makers—all have a responsibility to ensure that all Canadians, whether rural or urban, have reasonable and equitable access to health care. A two-tier health system—a lower tier for rural Canadians and a higher tier with better access for urban Canadians—is not acceptable.

I believe that with your help, we can implement this proposed solution. We have the moral obligation to do so.

Thank you for your time and for your attention, knowing you came in at two o'clock this morning. Dr. Rourke, Dr. Wootton, and I would be pleased to answer any questions.

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

Mr. George, you have seven minutes, sir.

**Mr. Bradley George (Director, Provincial Affairs, Newfoundland and Labrador, Canadian Federation of Independent Business):** Thank you very much.

First, Mr. Allison, you're familiar with our organization. CFIB represents small and medium-sized businesses in this country and in this province. We are the largest business organization in the country

and province representing small business. We conduct research. This research has allowed me to be here today to present to you on employability, one of the most important issues to our members and small business communities as well.

Let me start by saying that within our research over the last five years, CFIB has tracked the level of business confidence and optimism and we have found that in Newfoundland and Labrador, over the last year and a half, business confidence and optimism is increasing. We're very pleased to see that for small and medium-sized business. Over the next 12 months, small-business owners in this province expect to hire full-time employees, for the most part. Our research shows that 31% of owners of small and medium-sized business expect to increase their full-time employment. Only 5% expect to decrease that level of full-time employment. Things are looking up for small and medium-sized businesses.

However, in much of our research we found that unemployment insurance always tops the priority list as number one. This is unique to Newfoundland and Labrador. Across Canada, my colleagues always have the tax burden as number one. It would help me considerably if I could walk into our finance minister's office and say the same here.

A shortage of qualified labourers has been gradually creeping up the list. This year in September, according to our latest research, it has now topped the national average. It is becoming a significant concern all across this province, from northern Labrador to the west coast and the east coast. A shortage of labour, finding employees, is becoming more and more difficult.

To drive home that point, we've recently done a report on immigration, and in that report, which we will be releasing in November, we asked the same question we asked two years ago: will it become easier or harder for Newfoundland and Labrador small and medium-sized business owners to hire in the next five years? 79% of small and medium-sized business owners in this province said that it will be harder to hire employees in the next five years. So despite having the high level of optimism, despite wanting to hire, to increase the full-time levels of employment, 79% feel that it will be harder to hire, 3% believe it will be easier, 15% feel it won't change, and 3% were unsure—79% harder, 3% believe it will be easier. This too was above the national average of 67%.

Trust me when I say that these numbers have crept up over the last few years.

To drive home how much of a problem this has become—and it surprised me, really—we put out a report last year. We conducted a survey that determined that last year there were 3,500 long-term vacant positions in this province. We define “long-term” as positions that are vacant for more than four months. So with the highest unemployment rate in the country, business owners in this province last year had 3,500 vacant positions. You can imagine, when this report came out, how many phone calls I received asking where those positions were. But it's the matching of skills. It's fair to say the shortage of qualified labour is a significant issue for small-business owners in this province.

•(0815)

What's deeply disturbing is how small and medium-sized business owners are trying to solve these hiring difficulties. 59% of our members tell us they are hiring underqualified people, and 39% are passing responsibilities on to other employees. It doesn't do much for productivity in our workplaces when this is what they have to do. 38% are ignoring new business opportunities.

The next ones down the list are very difficult for employees and employers right now: improving salaries, hiring temporary help, use of overtime, increasing wages, high energy costs, and high insurance costs. These are significant issues for small and medium-sized business owners. It's something we have to get around.

And it affects training. Newfoundland and Labrador had the lowest level of training last year. We had the highest level of formal training, but that's due to occupational health and safety legislation we have in this province. SMEs in Newfoundland and Labrador desire to increase training, but training costs have increased as well.

We've asked our members in what ways government can help small and medium-sized enterprises. They've said the government can help lower the tax, lower the shortage of qualified labour, lower the tax burden, and give them money they can put into training.

We recommend that governments help, not hurt, the growing labour shortages, expand the growth of the apprenticeship programs—they had money in this past budget to help apprenticeships—ensure that immigration systems reflect the needs of today's marketplace, and focus our multi-level approaches and policies related to immigration and EI. We have particular problems with EI, which I hope to expand on. Business owners understand they also have a role for training and co-ops, etc.

We'll be coming out with a report in November that we will present to government. We need to work with all levels of government, because this is a significant issue here in this province.

•(0820)

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

We will move on to the Literacy Newfoundland and Labrador, Mrs. Gillard.

**Ms. Kimberley Gillard (Executive Director, Literacy Newfoundland and Labrador):** Actually, Ed Brown is here with the Newfoundland and Labrador Workplace/Workforce Learning Committee. We're actually with both of these organizations. Can we co-present?

**The Chair:** You sure can. You have seven minutes.

**Ms. Kimberley Gillard:** Thank you. That may save time.

Literacy Newfoundland and Labrador is a provincial literacy coalition. Our sole purpose is to advance literacy and lifelong learning in the province. Interestingly enough, Literacy Newfoundland and Labrador was just formed this past year as an official coalition. We're due to tap into some federal funding of \$137,500 through the National Literacy Secretariat, which has now morphed into a new program.

We were a victim of the cuts on September 25, though. Because of that, I apologize. We didn't have translation services, so this is not in French. You'll have to wait.

**The Chair:** Ms. Gillard, I would ask you to slow down, because the interpreters are having a hard time keeping up.

**Ms. Kimberley Gillard:** I'm sorry.

**The Chair:** That's all right. I know you want to get a lot in over a short period of time.

**Ms. Kimberley Gillard:** Yes, exactly, and we do tend to talk fast in this province. I apologize.

We didn't have the capacity to translate this, nor do we have the funds to translate it, so I apologize for that. We did bring English copies, which you'll get later.

I think it's very timely that we're here, especially due to the fact that we are a new coalition and that the funding cuts happened on September 25. I know there was a motion made by this committee to do some talking about those cuts. I would certainly be interested, if there's time at the end, to hear if you've made any progress around those cuts.

I will defer for a moment to my colleague Ed Brown, who will briefly talk about the workplace committee.

**Mr. Ed Brown (Director, Newfoundland & Labrador Workplace/Workforce Learning Committee and Literacy Newfoundland and Labrador):** The Newfoundland and Labrador Workplace/Workforce Learning Committee is comprised of members from education, business, labour, and the community-based sector. It is provincial in scope. The focus is on advancing workplace/workforce learning, and we purposely cover off both. We're trying to develop areas for those who are not working as well as those who are, so we use that rather awkward expression, "workplace/workforce".

It is supported by Literacy Newfoundland and Labrador because certainly a lot of the problems we have are with literacy—and I guess we should use the plural, "literacies". We find we have problems with some people's ability to read and write and so on. We're looking at literacies in the workplace, which includes computer literacy and a lot of other literacies we'd like to go into.

**Ms. Kimberley Gillard:** I think we'll start with a very quick definition of literacy. When we talk about literacy, people still tend to use the word "illiteracy". In the literacy field, we don't talk about illiteracy anymore. There are very few people out there who still use an X for their signature, although there are some, believe me. We talk more about skill levels.

We talk about our literacy challenges. Recently there was an international adult literacy and skills survey. It was conducted in 2003 and released to the public in 2005, and it painted a picture of skills proficiencies across the country. What we saw were devastating statistics around the literacy levels that Canadians had in 2003, but I'm sure they're still the same in 2006.

Just to give you a very small piece of some of those statistics, they were broken down into five different components. Most of the statistics talk about prose literacy, because it's the most common one that people understand. It's just straightforward document reading.

There are five levels of skill proficiency. Level three is deemed to be what people need to function well to be successful in today's society. We had 18.8% of those aged 16 to 65 in our provinces scoring at level one, 31.6% scored in level two, 43% of our youth aged 16 to 25 scored below level three, and 61.1% of our population aged 16 to 65 scored below level three in numeracy. It's staggering to realize that there were such low levels of literacy and skills proficiency still in existence in 2003.

This is not isolated to Newfoundland and Labrador, although we are on the lower end when it comes to literacy skills. It is a huge problem all across the country: 42% of Canadians score in level one and level two. That's 42% of Canadians who do not function well in today's knowledge-based, technologically advanced society.

This obviously has a huge impact on employment. How can it not? Jobs require skills. We are advancing every day, more and more, toward technology information databases. Everything is in print form, for the most part. Everything is advancing with computers and other forms of technology. People need to have higher levels of skills. People who don't have those skills are being left behind on a daily basis.

Studies have shown that adults with low literacy skills are less likely to be employed. I don't think that's a shocker. If you're functioning at a level one, how do you get a job? How do you read an ad to find out where the jobs are? How do you fill out an application? How do you do a resumé?

Once you find a job, low literacy skills tend to hamper any training if it's available, and any form of advancement. If you get into the entry level and you have to do training to advance, you're likely not going to get it, because you just don't have the skills to move on.

Employees with low literacy skills tend to earn less. There's a clear pattern. The higher your level of literacy skills, the more you're going to earn. Then, you're disadvantaged if you get in and get a job. You're probably not going to earn a living wage, especially if you're at level one.

One minute?

• (0825)

**Mr. Ed Brown:** We thought we had 14 minutes between us.

**Ms. Kimberley Gillard:** Could we get a couple of minutes extra because there are two of us?

**The Chair:** I'll give you two minutes extra.

**Ms. Kimberley Gillard:** The other thing is that literacy affects all aspects of a worker's life. It doesn't just affect the job. It spills over into health care; our ability to take care of our children, to help them with their homework; our civic participation. All these things are affected by literacy.

What are the solutions? The solutions include a framework for a national literacy strategy. Literacy has been piecemeal. It has been severely under-resourced for years, ever since literacy became a topic we talked about.

I have five recommendations. They replicate the recommendations that came from the Movement for Canadian Literacy, a group that presented to you in September.

We're asking the federal government to position literacy as a policy and funding priority and to work with the provinces and territories. With the cuts of September 25, we are seeing a reneging on responsibilities that the federal government has told us are provincial and local. The result is that we're losing the only piece of infrastructure that existed in literacy. The Literacy Coalition, including Literacy Newfoundland Labrador, will suffer and will likely disappear.

We're recommending that additional federal funds go to literacy immediately, as recommended by this committee back in 2003. We recommend that HRSDC provide federal leadership to literacy across jurisdictions. In the past, they did this through the National Literacy Secretariat. That office is now being morphed into an office of literacy and learning, and we need to make sure that leadership remains a crucial part of this office.

We recommend that there be a cross-departmental look at literacy. This affects more than employability. It affects immigration, heritage, first nations, and corrections. We need to be looking through a literacy lens. We also recommend that the federal government support workplace literacy by developing supportive policies, infrastructure, public awareness, and tax incentives. Employability is a huge issue, and literacy is the most fundamental issue affecting it. We need to take some steps to support literacy—not just on the ground in the communities but also in the workforce. There will always be a lot of individuals at levels one and two who are unemployed, but we were staggered to find that many people in these categories are actually employed, and this hampers them from going into a lot of the traditional literacy programs.

We need to take a broad approach to literacy. It needs to be supported federally, because we are a country, even though you slice us up into provinces and territories. It's the work that happens within those provinces and territories that filters off into what we call our country. We need federal support for literacy.

• (0830)

**The Chair:** Mr. Brown.

**Mr. Ed Brown:** In Newfoundland and Labrador, we're looking at the lowest level of training in Canada. We're looking at people in the workplace who couldn't take advantage of training even if it were there. So we have this very awkward situation.

The Workplace Education Committee is trying to increase the disposition of small and medium-sized businesses to conduct education. We're talking education. We use the words "education" and "learning" versus "training", because we know that the employer does some on-the-job training. We're talking about developing the citizen of Canada to be a better person. As you can see from Kim's statistics, a lot of these people need that development.

If employees are developed to a certain level, workplace learning operates as an investment in a company and in Canada. When we look at barriers, one of the things we find is this: those who have tend to get. Those who have, get. That's unfortunate, because those in the workplace who don't have don't get the necessary education and learning. In a professional setting, man, if you have your doctorate and you work at a university, you can spend your time travelling to different conferences and so on. However, we can't seem to instill a similar understanding into the workplace.

Many people need the basic skills. We're trying to develop a model for addressing the requirements for successful workplace training. There are certain essential skills, and many people don't have them. We have to develop them. Thus there is a natural marriage between the Literacy Newfoundland and Labrador and the Workplace Education Committee.

**The Chair:** Mr. Loder, seven minutes.

**Mr. James Loder (Director and Board Member, Newfoundland and Labrador, National Association of Career Colleges):** Good morning, ladies and gentlemen, and welcome to St. John's. As you can see, we've turned the fog machine on in your honour. It's ordinarily about 30 degrees and sunny here, but we're trying to keep a stereotype going.

On behalf of the National Association of Career Colleges, the NACC, I would like to thank your committee for the opportunity to present to you today. My name is James Loder. I serve on the national association as the provincial representative from Newfoundland and Labrador. I bring greetings on behalf of our board of directors. At my day job, I'm the principal of Academy Canada Career College, the largest independent college in Newfoundland and Labrador. I am also the immediate past president of the Newfoundland and Labrador Association of Career Colleges.

During my presentation today, I will be referencing a brief that was submitted to the standing committee in September of this year and will be highlighting five recommendations. However, perhaps I could begin by providing a brief background on private career colleges and the national association.

Private independent colleges have provided quality career training in Canada since 1868—that's more than 138 years ago. The earliest incarnation of the NACC was established in 1896 to serve and support the needs of private career colleges, their faculties, partners and students.

Today the NACC is the umbrella organization for affiliated provincial career college associations. Every year, Canada's 1,200 private career colleges train over 100,000 students for a wide range of careers, in fields such as health care, apprenticeship trades, multimedia, business, engineering technology, child care, and many other areas. Our programs range in length from six months to three years and ultimately grant diplomas, certificates and, in some cases, undergraduate degrees.

Private career colleges are licensed by the provincial ministries charged with regulating private education under the respective government acts. These provincial acts regulate the content of programs, the quality of facilities, the credentials of instructors, entrance requirements for students, tuition fees, and the amount of

security that must be provided by the colleges, as well as a host of other criteria.

Private colleges operate without subsidies in both large communities, where students have many options to choose from, and in small communities, where there are no or few public options. Furthermore, private career colleges have the ability to offer niche programming to meet specific local needs. Many private career colleges offer programs that are accredited by industry bodies such as the Canadian Dental Association, Canadian Medical Association, Canadian Institute of Travel Counsellors, and the provincial councils of technicians and technologists, to name a few.

Many schools have also chosen to apply for institutional accreditation by a third party, such as the International Organization for Standardization, the Private Career Training Institutions Agency of British Columbia, the Newfoundland and Labrador Provincial Apprenticeship and Certification Board, and the Canadian Education and Training Accreditation Commission.

Both types of accreditation provide the student with a level of assurance of the quality of the institution and the programs that are offered, over and above what is required by registration and licensing.

All of these steps are taken towards the goal of meeting our top priority: the training of students for fulfilling and rewarding careers.

I would now like to take a couple of moments to highlight some of our recommendations to the committee.

Recommendation one is that students must have educational choice. The NACC supports the right of the student to choose the learning environment that best suits his or her needs. Students choose to attend private career colleges for a number of reasons. Whether it's because of the need for practical skills or efficient, highly focused training close to home, or flexibility, or the individual attention that comes with small class sizes, students are coming to us in record numbers.

In understanding why we succeed, one must first understand who our students are and the niche that we fill. According to a 1998 survey, 65% of our students were female; 46% of our students had previously attended either a university or a public college; 31% were over the age of 30; 13% were single parents; and 5% of our students, or 1 in 20, came to us with either a physical or a learning disability. They come, therefore, with a host of unique needs that schools like ours readily meet.

● (0835)

Recommendation two deals with the NACC's support for literacy. In order to succeed at the post-secondary level and to be successful in the increasingly competitive global environment, learners need superior literacy and numeracy skills. These skills are fundamental to the success of the learner and to the worker. Too much time is taken at the post-secondary level to address deficiencies that should have been addressed at the elementary or secondary level. The NACC supports the work of organizations such as Literacy Newfoundland and Labrador and the Movement for Canadian Literacy in their efforts to assist anyone who needs those basic skills once they've exited the normal school system.

The third recommendation stresses the need for recognition of prior learning and credit transfer. Recognition of prior learning is the key to the successful transition of any student as he builds a lifelong learning plan. Right now the ability to have prior learning and skills training recognized at another school is at the discretion of the receiving institution. While some private career colleges have established articulation agreements with other public and private institutions, there remains a significant gap. In too many cases the decision on credit recognition and transfer is not made on the basis of demonstrated learning outcomes; instead it is based solely on whether the training was received at a public or private institution, with little or no attention being paid to the quality of that training. NACC supports the use of demonstrated learning outcomes and established national standards as the basis upon which credit transfer is granted.

Our fourth recommendation addresses the issue of worker mobility. NACC supports the need for industry-defined national standards in skills training. These standards would ensure that skills and the people who hold them are transferable across Canada. Since the job market is fluid and the demands of the workplace ever changing, workers may find themselves having to move several times to keep or find a new job. Creation of transparent, broadly accepted national education standards for programs will go a long way towards creating the truly national workforce that we all envision. The NACC also contends that these national standards would assist in facilitating recognition of the foreign credentials of our emerging immigrant workforce.

The final recommendation that I have time for today focuses upon the financial needs of students. Access to education and training for many is dependent on access to funding. With the demise of the once widely used grants program, students are now relying widely on access to student loans and federal or provincial programs that support training. The Canada Millennium Scholarship Foundation does offer bursaries; however, those are for students enrolled in a program of at least two years in length. This leaves many private career college students ineligible for the bursary and totally dependent on student loans for funding. We recommend that your committee study this issue and adjust financial programs to ensure equal access for all students. I should also point out that the NACC supports an income-contingent student aid program that allows graduates to repay their loans based on individual income levels.

In summary, the NACC contends that private career colleges strongly complement the publicly supported college system. Both offer strong training and skills for students to enter the labour market upon graduation. They differ, however, in the type of student each is designed to serve, the way in which instruction is delivered, and the time it takes for program completion. With the ability to adapt quickly to changing demand and the flexibility to offer training options to accommodate students, with multiple intakes, and with quality training by professional faculty and staff, private career colleges are an integral, cost-effective component of the post-secondary education and training sector. Private career colleges are responsive to the demands of the workplace and its students.

We've been serving the needs of Canadian students for almost 140 years and look forward to another 140 years of graduate success and strong involvement in the educational sector of Canada. Perhaps we

can also help to solve some of the problems that have been addressed here today.

On behalf of the NACC, I thank you for the opportunity to present our report and recommendations.

● (0840)

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

We're going to start our round of questioning. Our first round will be seven minutes for questions and answers, and we'll move through all the individuals. Then we'll have a second round of five minutes. We'll just keep going until our time is out at 9:15.

I believe we'll start with Mr. D'Amours.

[*Translation*]

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Thank you, Mr. Chair.

First, I would like to thank you for being here this morning. The issue before us is certainly something on which depends the capacity for Canada to go forward, especially in rural areas. I appreciated your presentations, and I have several questions to ask, the first one being on literacy.

I think what you said earlier about cuts is a confirmed fact. But there is something unreal about this. I get the impression everything should come from Ottawa, and not from the regions. As far as literacy is concerned, it is certainly not from Ottawa that we can improve the literacy level in each of the provinces, and in each of the regions inside each province.

I come from New Brunswick. I had already noticed that situation in my province, but when I went in other provinces, I realized the situation is the same.

First, this is not the right message we should send to volunteers. In most cases, we depend on volunteers to contribute to an improvement in the literacy level. Second, I do not think we are sending the right message to the Canadian public. We are saying we want to make sure everybody can read and write adequately. But what we have seen in the last several weeks is that we are in fact trying to a point to make sure Canadians remain illiterate.

I would like to have your comments on this.

● (0845)

[*English*]

**Ms. Kimberley Gillard:** I think it's totally understandable that provinces and territories would do their part. In Newfoundland and Labrador just recently we saw a huge increase in funding to the province in ABE, adult basic education, level one. It's understandable that provinces have to play their role. But the federal government 20 years ago, under the Brian Mulroney government, established the National Literacy Secretariat. They saw that illiteracy filtered up and affected the country as a whole, and established the National Literacy Secretariat to help make the work in literacy more cohesive across the country. What happens in one region of the country obviously can help inform another region.

Out of that National Literacy Secretariat we also saw the formation of the Literacy Coalition. Literacy is very piecemeal and always has been. It's not a formal system like the K-12 system is. We're trying to help build an infrastructure for literacy from the ground up. The cuts coming right now, after proposals were supposed to come out in our province in January...and they were delayed until August. The deadline for proposals was September 15. People put time and energy into that. We had been waiting those eight months to see if the funding was coming or not. A lot of people had used up all their funding at that point, and any surplus they had. Then the cuts came ten days after.

What we're saying is that this doesn't give us time to be flexible and to adjust. We haven't had that opportunity. That's not to say there's not a role; we believe there's a role for the federal government, provincial government, municipalities, labour, and business. I can sit here and I can tell everyone in this room that you have a role to play in literacy. We need to readjust and we need to re-evaluate how the cuts came, where they're levied, and how we adjust so that people do continue to have services at the grassroots level.

Another thing that's innovative about the National Literacy Secretariat—or the National Office of Literacy and Learning, as it's called now—is that their funding created innovative approaches. What we're finding is that in the IALS data, obviously things have not worked for the last ten years. We do need to look harder at what we've been doing. But a lot of programs, such as ABE programs, are 9 to 3 during the day. If we have people in the workforce or if we have child care issues or transportation issues, they don't get to partake. This funding was allowing us to get at the grassroots level in the community, to start offering programs that were more innovative and could touch more people.

It was never perfect. That's why we've always talked about how we were under-resourced in literacy and how it was piecemeal. We were this close, we thought, to having a national strategy put in place by the federal government. The framework is there; MCL has already presented it, and it's in my brief as well.

We thought we were this close to having the federal government sit with the provinces and territories to talk about what the roles would be and how it would all filter out into a collaborative approach to literacy. Now that's in jeopardy.

Certainly I feel that everybody has a responsibility—the federal government, the provincial government, municipalities, and on down the line. We need to be able to sit and look at that collaborative approach and see where everybody fits in.

**Mr. Ed Brown:** I have another comment about the rationale for cutting the funds. The Prime Minister stands up in the House and says that the rate of adult illiteracy increased under the previous government. There was never enough funding put into adult literacy to make a big difference. We're struggling. I mean, look at the return on the dollar, look at the scholar for the dollar you're getting from the pittance you're putting into it. Because I'm volunteering, and people around me are. As you said, we're running adult literacy and other programs with volunteers.

So we're asking for operational costs. We're asking for core funding and things like that, and not for the delivery. Often the delivery is done by volunteers too. So if you look at the return on

that dollar you're investing in adult education or adult literacy, it's amazing what you're getting.

Now we're withdrawing services. We have to. We have to close offices. We have to take people out. We can't employ people to answer the phones. We might not even have our help line, the 1-800 number, anymore. This is where we have to go. As a coalition, we're looking at this. Our board is talking about things like this. That's unfortunate, because we need to have, as Kim said, funding from all sectors. We need to have understanding from small and medium business. We need to have funding from them, from labour, from everywhere. We're looking everywhere for funding, and we will get a really good return on that dollar.

• (0850)

**The Chair:** Thank you.

Thank you, Mr. Brown and Ms. Gillard.

We're going to move to our next questioner. Mr. Lessard, you have seven minutes, please.

[*Translation*]

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Thank you, Mr. Chair.

I would like to thank you for being here this morning to not only give us your presentations, but also to analyze the very important issue of employability. I also appreciated very much your contribution up to now. I have many questions to ask you. I will ask them in the same order the presentations were made.

My question is for Mr. Jong, of the Society of Rural Physicians of Canada. You reminded us that Mr. Romanow stated in his recommendations that there is simply not enough financial resources to address the problem of access to health care in rural areas. He recommended the investment of \$5 billion over a number of years in order to deal with this problem.

You are directly involved with this problem. Could you tell us whether investments have been made to give you the means to go forward the way Mr. Romanow suggested?

**Mr. John Wootton (Editor, Canadian Journal of Rural Medicine, Society of Rural Physicians of Canada):** Mr. Romanow's recommendations were not implemented, and there was no investment. When I was with Health Canada's rural health office, some investments were made. There was a \$50 million investment in programs, and it was distributed according to a provincial formula. But it was used mainly for pilot projects. And, like every pilot project, they ended, and there was no follow-up.

**Mr. Yves Lessard:** Thank you.

Along the same lines, you mentioned it was disappointing the situation still had not improved, after all those studies and the mandate given to people like those on the Romanow commission. Many qualified people sat on this commission, and it did a great job of analyzing the issues.

You also made a comment that a specific strategy was needed for rural medicine. What are your thoughts on this? Could you give some indication on the orientation this could take?

**Mr. John Wootton:** We consider the programs that are implemented by the provinces to deal with these problems. Provinces are quite capable of making decisions at a certain level, more particularly in their own fields of jurisdiction, as concerns the financing of the system and the distribution of resources. But the provinces cannot provide a national approach. The problem is the same everywhere. Investments that could come from the federal government would add to what is being done at the provincial level. What is lacking, as we mentioned in our document, is a way to consolidate what has been gained, for example a structural presence in the universities, well identified structures, and a priority mandate in rural health.

In our research, we nearly got a rural research institute, but we did not get it. That is why this mandate is diluted and not taken up by nobody. The situation is the same with the support structures in communities where students could be interested in a career in healthcare. Everything is diluted in an approach that is not targeted in a way the problem could be addressed. In fact, 80% of the problem is a human resources problem. We have a technological approach that can help, but in rural areas, most of the problem with physicians and nurses is a human resources problem and a lack of support for human resources.

• (0855)

**Mr. Yves Lessard:** I am surprised the situation has not improved more. I worked for 30 years in healthcare. I was also on the receiving end of rural healthcare, and I had to be away from my family for a year and a half for treatments. This was in the fifties. The fact that even today, we are still in this situation... This problem is not specific to Newfoundland. Similar situations occur in Quebec. I am really surprised that the problem is this serious.

I would like you to elaborate more on the proximity in the services that should be provided. Up to now, we have been more concerned with bringing the patient to medical care whereas I think we should rather bring medical care to the patient. I feel you share this concern. And I am glad that you think we should do this through a strategy that is coming from the grassroots and from the rural areas.

I would like you to elaborate more. I feel something is still missing concerning the way we should go about this. You have indications suggesting you could be interesting for people on the ground, but how could we do it?

[English]

**The Chair:** Mr. Wootton, you have about thirty seconds to answer this.

[Translation]

**Mr. John Wootton:** The most crucial part is to counter the tendencies in our society toward centralization and specialization. We should privilege versatile human resources, something which is the opposite of specialization. That is why people were much more versatile fifty years ago. Even the demands in our society are more for specialists than for generalists. Our approach should be to support in every way possible general practitioners, who are more useful in a rural setting.

[English]

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

Madame Savoie, seven minutes.

**Ms. Denise Savoie (Victoria, NDP):** Thank you very much for your presentation. As you've heard, we had an epic journey to Newfoundland yesterday.

I want to focus on literacy and job training.

There seems to me to be an irony, to listen to the presentation made by Mr. George about the expectations of lack of skilled workers in the future and then to hear the presentation on literacy and the problems there. I would like to focus on that. I have a few questions.

One is from the private sector perspective. Clearly it's an issue that will need the involvement of the private sector, governments, and non-profit as well. I'm wondering what Mr. George thinks the private sector's prepared to do in terms of the basic skills; and Mr. Brown and Ms. Gillard, perhaps you would speak a little on what you feel should be the federal government's role. Mr. Loder referred to national standards, and you mentioned the infrastructure. I'm wondering if you want to elaborate on what you think the federal government's role should be, because clearly literacy has been underfunded in the past year.

Perhaps we can start with Mr. George and then work our way down.

• (0900)

**Mr. Bradley George:** When we researched this with our members, we found they recognize clearly that this is like a triangle that involves three partners: educational institutions, government, and business. They recognize that they have a role in providing training. They recognize that basic skills are a concern. So I was very interested to hear what Ms. Gillard had to say about this. They are prepared to provide training.

The issue with small-business owners is that of resources. 65% of businesses in this province and country have fewer than five employees, and when you allow one employee to leave for the day to provide formal training, you're letting a huge resource go. But they're prepared to train their employees. Basic skills are difficult to provide. They expect an employee will come to the workforce with basic skills.

As for private colleges, I was really interested to hear Mr. Loder say small-business owners are so supportive of private schools. Basic skills they recognize to be a huge problem, but what we've noted is—and our members, I should say, not me—that governments and business and educational institutions need to be talking to each other. There seems to be a real disconnect. That's a triangle, we find. But they have noted a huge issue with employees coming into the workforce without the basic skills set. They are ready to provide training.

Red tape is a huge problem, and they don't have the time. That's a problem. Cost is a problem, but they are ready to perform that. The apprenticeship programs provided by the federal government are here. More programs like that are so important to small and medium-sized business owners. As I said to you, one thing that comes across is that they're ready and willing to provide the training. Red tape needs to be cut out. Basic skills are a huge problem, and support of private colleges is very important to them.

I'm so very glad I was put in this group today with the other two groups.

**Ms. Kimberley Gillard:** With regard to the federal government, I laid most of it out in the recommendations. A very important thing that we need the federal government to support is the national strategy, because there is no system for adult learning in our country. The benefit of the strategy is that we then get to see, across the country, things that work in small and medium-sized enterprises, that work with labour. It's not piecemeal.

That's been the biggest downfall of literacy. It's not that the solutions don't exist within our country. They do. There has been great literacy work going on in this country for years and years, but it has always been under-resourced and piecemeal. The good work that is happening in B.C. doesn't always filter across the country.

This is an important piece of the Literacy Coalition: that we come together under the Movement for Canadian Literacy and we do that sharing. We share resources. We share ideas and things that work and things that don't work. That's why the strategy is vastly important.

The strategy would also figure out what all the different roles are. There has always been that conflict over federal jurisdiction and provincial jurisdiction around education, but as I said, back in Brian Mulroney's day, he recognized how it filters off and affects the country vastly and that there needs to be that intervention. The federal government can really play a big role in talking to provinces and territories about how they work better. We definitely don't want duplication, but we feel that talking needs to happen.

There are really good relationships happening across the country around literacy. The provinces really pick up their end of it and then look to the federal government to pick up the other end. We just need to make sure that filters across the country.

Another thing that's really important in the federal government and across the provincial governments is that literacy needs to be looked at across departments. Literacy does affect justice. It does affect immigration. It does affect health. The more we look through the literacy lens, the more each of us can take on our respective roles in addressing that.

Those are two very key things for the federal government to do.

• (0905)

**The Chair:** You have thirty seconds for maybe just a quick question.

**Ms. Denise Savoie:** Thank you.

When I was thinking about the private sector's contribution, recognizing that small and medium-sized businesses don't necessarily have the possibility for training, as you mentioned, is there a financial contribution that employers are prepared to make to ensure that workers are trained, so that those employers are not poaching necessarily one from the other?

**Mr. Bradley George:** When I talked about providing financial training—and I have it here in our presentation, which I couldn't provide since it wasn't in both French and English—most of us have members here in the country. Out of all the members in the country, Newfoundland and Labrador provides the most informal training and on-the-job training. We also find that small and medium-sized

business owners provide the most informal training. So we're not putting financial dollars into sending workers outside the workforce, for reasons I told you. It's costly to do so.

We find that our business owners are providing mentorships and apprenticeships. Our small and medium-sized business members are saying to us that they now recognize that they need to be doing more of that. They recognize that they need to be working more with educational institutions like the private career colleges and the universities.

They need to be telling governments about the types of positions they need filled. If governments are going to fund programs at the college level, these employers need to say what programs need to be funded and have better communication.

There is more informal education going on in the workplace in Newfoundland and Labrador than any other province in Canada. There is less formal education in this province than anywhere else because of the lack of financial resources.

**The Chair:** Thank you. That's all the time we have.

I'm going to take a round of seven minutes. I want to talk to everybody, but the first two groups I want to talk to are literacy and small business.

You talked about a hotline. I'm kind of curious. That seems like an excellent idea. What are the objectives? How does that work? I realize that it might have to be cancelled without the funding, but how exactly does that work? Does it help to steer people in the right direction? What did it cost?

**Ms. Kimberley Gillard:** Most colleges do run a 1-800 line that will refer people. We refer to it as a one-stop shop. It's for learners to phone in and find out where there are programs in their area or to ask other questions that they might have around literacy and learning.

It's also for organizations that are out in rural areas to tap into our expertise and our resources. For example, we're like a clearing house. In our office, we receive national work and work that goes on in other provinces and territories. We have it there to filter out to the communities. People can call in and say "I'd like to have a look at that new book you have", and so on. It's a great service.

I can't tell you what the cost breakdown is. It's just new this year, but it is one of the services that the Literacy Coalition provides.

**The Chair:** Is it a provincial number, then? Does every province have one, or is that just the one for St. John's?

**Ms. Kimberley Gillard:** It's a provincial line, and most provincial coalitions have one.

**The Chair:** I have two other questions, and then I'll go to business, because my last question will tie into business.

You talked about schools playing a role and maybe not being effective. My question is about your thoughts on that. I realize there are a lot of people who should be responsible for literacy; it's not just one area. You talked a bit about people at schools and the literacy rates. Why do you think they've fallen short? We struggle in terms of elementary schools—I think there was a comment about elementary schools, in particular, where people are passed on, maybe, without getting the skills.

How is it that we've fallen short? And do you have any recommendations so we can do a better job in earlier years, which I realize is a separate issue from adult or even immigrant literacy issues?

• (0910)

**Ms. Kimberley Gillard:** It is a piece of the whole picture of how we try to talk about literacy, because people want to define it as an adult problem. Mr. Loder was the one who made that comment, and I'll defer to him afterwards, if you like. From our perspective, what happens is that formal systems tend to box people in, and that's just the problem with systems. So what happens is that people who aren't fitting into that particular box fall outside the system. Of course, today we find that with much greater social issues and with social demands on children within the K-12 systems, they tend to fall outside when they don't have supports at home. Again, that can be linked back to adults with low literacy.

I think, basically, it's systemic. There are problems within the system; it can't always be flexible to adapt. What's very unique about literacy skills is that we tend to try to move to where the learners' needs are, as opposed to forcing them to come to us.

**Mr. Ed Brown:** It's also a cycle from the point of view of all these new statistics we've just laid before you. The key to family literacy is often the parents, and unfortunately it's a vicious cycle. So we have to stop this at some point, and what we're trying to do, obviously, is put a halt to this by working with all our fingers in the fire, whether it's family literacy or whatever. And it's connected to adult literacy, very much so.

**The Chair:** It probably makes some sense to make sure there are support systems at home and to follow up on what's happening in the schools. That is the cycle.

My last question regarding literacy sort of hitchhikes onto the issues of business. You talked about looking at government to support policies in the workplace, and I guess my question is what exactly that would look like. What would you recommend? I personally believe that the workplace should be more involved. Certainly larger employers should be. I think Mr. George makes a good point, that it's tougher for small and medium-sized enterprises. But what do you mean by a policy that supports literacy in the workplace, and what exactly may that look like?

**Ms. Kimberley Gillard:** There's lot of expertise around the workplace throughout the country, and I think it's important to look to those models and set policies that replicate them across the country.

We've recently had people come in from Nova Scotia and Manitoba to talk about their work. Both Nova Scotia and Manitoba actually have people within their provincial governments, and that's their work. They go into workplaces and help them set up programs. So we do see a huge government role there. Tax incentives obviously help people to have the right kind of funding to support it, and an infrastructure, again, goes back to being able to spread the good work across the country.

**Mr. Ed Brown:** Lifelong learning is very much a part of our thinking and our philosophy. Certainly one of the best examples I've seen as we've gone and looked at other places is in British Columbia, where I've seen a hospital where they release people from their

shifts, or part of their shifts, to go next door to an old nurses' residence, which is set up as a school, to basically do computer and literacy.

That's the ideal situation we're looking at here. That's what we would see. It's the concept of putting education into the workplace, not for on-the-job training to use the machine that's necessary to do your job, but to develop that citizen and improve the quality of that person's life.

**The Chair:** Sure. And certainly having a philosophy of lifelong learning in that organization makes sense.

**Mr. Ed Brown:** Yes.

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

Mr. George, you talked about reducing taxes as part of a possible way of trying to reduce the shortage of labour. What do you mean by that? I think I understand what reducing taxes means. And then, do you have any comments about what Mr. Brown just had to say, as well?

**Mr. Bradley George:** Everyone is skeptical when they hear that; even I was at first. We did a training report, and we asked what would be the way for members to put more money into training. The result was that the best way to have more money for training would be to have a lower tax burden. I do not disagree at all with what I'm hearing from my co-presenters here this morning, but the fact is that small and medium-sized businesses have limited resources, given the other high costs they have now. It is very difficult for them to put money into basic skills. They need employees to have that skills set. They want to train. They want to put money into informal training.

I'll leave with this message. The fact is that we're losing workers due to out-migration. It's a very difficult thing for small and medium-sized businesses these days. Training is very important to them in order to keep these workers here. We're losing people. I have members who are garage owners and who are losing people. The other day, I spoke to a garage owner with four people who has lost two people to Alberta. He's trying to train someone now. He has to train a fellow who just graduated from high school through informal training in the workplace. It's a serious issue. It is of significant concern to our organization.

• (0915)

**The Chair:** Once again, it's a fight for those valuable resources—

**Mr. Bradley George:** One of the people he lost was his son, who was to take over his business.

**The Chair:** That makes it very difficult.

Thank you, Mr. George.

We're going to move on.

**Mr. Ed Brown:** Could I comment on that?

**The Chair:** Sure, just a quick one, and then we're going to Mr. Regan.

Go ahead, Mr. Brown.

**Mr. Ed Brown:** The concept of educating a Newfoundlander for Newfoundland is no longer with us. We all refer to the fluidity of workers and so on. The worst thing the federal government can do is to think parochially, think provincially. You have to start looking at Canada as Canada, not as Newfoundland and Labrador and things like that. We're doing that too much. This is where the thinking is going right now.

On the concept of poaching, which Denise referred to, and taking workers from one company into another, from one province into another, we have to start looking at that as the way of life and as a positive thing. This brings the federal government more to the fore in this problem of employability that we have. It's not good to be parochial, to say that certainly we can handle this here. You have to think federally at this point.

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

Mr. Regan.

**Hon. Geoff Regan (Halifax West, Lib.):** Thank you, Mr. Chairman.

I have about thirty questions, but only five minutes for answers, so I'll try to get to three if I can.

First of all, Dr. Rourke, to what do you attribute the fact that currently 8% of medical students come from rural Canada? Do you think the rural access scholarship is the right way to increase that number? What would be the target? Would it be 30%, or would it be higher than that?

**Dr. James Rourke (Dean, Faculty of Medicine, Health Sciences Centre, Memorial University of Newfoundland, Society of Rural Physicians of Canada):** Our target should represent the same proportion as who is in rural Canada, which is about 20% to 30%, depending upon how you define rural Canada.

There are a lot of barriers. One of them is that fewer rural kids go to university, to start with. All those who go to university have already spent a lot of money coming from the outside. If you come from another part of Newfoundland, you have to pay more to go to university in St. John's than if you were from St. John's. Rural families are poorer than urban families, so again they are at a financial disadvantage. This is why rural access scholarships would help to allay that disadvantage. Students coming into medical school now are very concerned about the high cost of medical education, and that is a barrier.

In the medical schools, we're doing a lot of things to try to increase the rural enrolment. In fact, at Memorial University, 40% of our students come from rural areas, because we have a very defined program to encourage them. But that's not the case across Canada.

This needs a Canada-wide approach. That's why two of our recommendations are to have a chair for rural medical education at each medical school, to maintain a focus and be a champion for all aspects of our medical education; the other one is to put a chair of rural health research in every medical school across Canada to maintain that focus.

If I might pick up on what Mr. Lessard said about why we do not focus—

**Hon. Geoff Regan:** If you don't mind, I only have five minutes for all those questions I have. I bet Mr. Lessard will be anxious to hear your answer on that point he raised, though.

Let me turn to Ms. Gillard for a moment. You asked a question earlier about whether we were having success in relation to reversing the cuts. So far, there is no success, but this committee has passed a resolution, as you know. I think, for example, that our chairman actually is one of those subversives in his own party who is campaigning, I hope, to have the minister change her mind on this. I don't know if he is as subversive as Garth Turner, mind you.

**Voices:** Oh, oh!

● (0920)

**The Chair:** I want to say they help out.

**Hon. Geoff Regan:** The minister commented, in explaining these cuts in answer to one of my questions in the House of Commons, that we shouldn't be funding lobbyists and advocates. If you had her here today to explain why it's important that she fund groups like yours and why it's not just lobbyists and advocates, what would you say to her about why she ought to be funding what you're doing, as opposed to only funding certain projects that are direct?

**Ms. Kimberley Gillard:** I found it very disappointing when we were told that advocacy, administration, and levels of bureaucracy needed to be cut out. For the last three years, 60% of the time I was the only staff in my office.

We don't believe that advocacy is our major role, because we see ourselves as educators. We're educating all partners about literacy. We're educating not just government but labour, community-based sectors, and health care. We believe 110% that it is a holistic approach; it's the only approach that's going to solve this problem.

Literacy is so multifaceted, with so many layers to it, that there is no silver bullet. Claudette Bradshaw found that when she did her round table discussion before she left. We do advocacy, but we do more awareness. The real role of literacy coalitions is to provide the only piece of infrastructure that exists in a field where there is no infrastructure.

We do everything. We are the direct link for all the community-based organizations when it comes to getting resources. We are the link to resources coming into this province that get spread out to the communities. We are the link for learners finding literacy programs. We are the link for helping resources be developed. If anything happens on a national basis and they're going across the provinces and territories looking for information, we're the first line of contact. We are the ones who sit and share our expertise throughout the year on research and practice. Whatever kind of survey is being done nationally, we're the first line of contact. We're the information source for the province.

So we go way above and beyond advocacy. In fact, all our time right now is being spent on advocacy, and we feel really bad because this is energy that could have been spent much better somewhere else.

**Mr. Ed Brown:** We don't have time to advocate.

**Hon. Geoff Regan:** Let me just ask the last question to Mr. George. You've indicated that basic skills are a huge problem for small and medium-sized employers in the province. You've also said that they're ready to provide training. My impression is that they're ready to provide training for the skills in their fields, but are they ready to provide training for the basic skills that they're concerned are lacking? To what degree does that include things like literacy and numeracy?

**Mr. Bradley George:** I'll be quite up front with you. In our survey we haven't matched that. It's improper for me to come out and say I'm sure that's not what they're saying, because that's not the way we work. I could venture an opinion about what they're saying to us, from my discussions with them.

I'll use the example of a garage owner. He's quite willing but afraid to train a high school graduate to be a mechanic when he knows that the garage mechanic will take the direct flight from here to Fort McMurray and he'll lose him. We've lost our direct flight to London, England, but we have a direct flight to Fort McMurray. I know the answer to the question about basic skills being a problem. I can quite certainly tell you that is the issue. I shouldn't say that, because I don't have the survey results for that, and that's not the way we operate.

**Hon. Geoff Regan:** Thank you.

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

We're going to move to Mr. Lessard.

[*Translation*]

**Mr. Yves Lessard:** Thank you, Mr. Chair.

My first question is for Mr. George.

When you talked about shortages, you talked about skills. If I understood you well, you said that employers tend to give the work that demands more skills to people who already have work to do.

In most businesses, you already have skilled workers who are relatively old, and so on. But we know that the basis of skills is knowledge and know-how. Do small businesses have a strategy to transfer the knowledge and know-how of older workers before they leave?

• (0925)

[*English*]

**Mr. Bradley George:** Part of the strategy we have right now is succession planning and dealing with succession planning. We have, in our studies, recognized that 70% of the workers, the owners of small businesses in Canada and in this province, will retire in the next ten years, and that's frightening. Forty per cent of the business owners in this country and province will retire in the next five years. And what's frightening is that small and medium-sized business owners are not prepared to pass on their businesses. We're going to find many small and medium-sized businesses prepared to close because they don't have anybody.

I'll go back to the example of that garage owner who just lost his son. What's he going to do? If he closes, we've lost employment; we've lost job growth; we've lost a part of our economy. We are working currently—we just had a symposium in Ottawa last week, as a matter of fact—on succession. We brought academics, lawyers,

and financial people together. We need to start educating government on the fact that they need to get involved. We need to get tax people involved. More importantly, we need to get our business community involved, and we need to tell them that this is important and that they need to start planning for the future.

We have governments right now that are funding entrepreneurs, young people, to start businesses. What about the person working in a business, who, when the owner retires, wishes to take over that business? Access to financing is a huge concern for small business owners, but what about the person who wants to start that business? He'll end up turning to his Visa, his family. Preparations for leaving a business are not there. That's a huge concern.

We are actually preparing some questions now to talk about allowing older workers to stay in the workforce. That's a possibility. A few years ago the government raised the RRSP deduction limit to help owners when they retire, but in terms of business owners who are going to retire, that's going to be a huge issue in the next five to ten years. We need to help prepare for those retirements. That's a significant concern, as is education.

[*Translation*]

**Mr. Yves Lessard:** You are talking about a national strategy and national standards, but what is the strategy of the businesses?

For example, is it possible, on the one hand, that more experienced workers act as mentors for a number of employees before they leave?

On the other hand, if some workers want to postpone their retirement, could we provide for shorter weeks and, at the same time, have a targeted strategy for a number of other employees, in order to transfer the knowledge and know-how of older workers?

Did the businesses think about this or did they begin to take such measures? I do not think they need much research.

[*English*]

**Mr. Bradley George:** You're exactly correct. This is what small and medium-sized business owners, quite honestly, haven't thought about, and this is all part of the education process. If you're going to pass on your business, this is part of succession planning, and it involves picking someone to take over your business. A lot of people think it's a family member, but it's often not a family member. If you're going to have somebody move into your business, part of that involves growing that person, letting them move in, slowly letting them learn the business. And it involves educating that business owner himself or herself. You're right, it is something that we need to inform business owners about.

So it is an education thing for small and medium-sized business owners, which make up a huge portion of this country. 99% of the businesses in this country are small and medium-sized businesses.

• (0930)

**The Chair:** Thank you, Mr. George, and thank you, Mr. Lessard. That's all the time we have.

Madame Savoie, you have five minutes.

**Ms. Denise Savoie:** I'd like to go back to the issue of poaching. It's only a negative concept if not everyone is contributing to the training or learning pool. If one level of government isn't there, or if the private sector isn't there, then it becomes an issue.

We're all noticing a trend toward provincializing our country and moving away from a national vision of what it means to be Canadian. It's a real problem when the mechanic's son goes to Alberta. If there were folks from Alberta going the other way, or if the training and learning was happening across the country and was supported by a strong federal leadership, it would be less of a problem.

I'm wondering how you could help, Mr. Allison, to be a little more subversive with this new party, in terms of our vision of this country as one in which the federal government still exerts leadership—recognizing the cultural specificity of Quebec and the educational sensitivities there, but recognizing that we are a country. I wonder if you have any comments, because there is a drift away from this vision right now.

**Ms. Kimberley Gillard:** I go back to the national strategy. The first step we see in outlining that strategy is the federal government's entering into provincial and territorial agreements. There have to be discussions so that we can build the vision yet respect individual needs.

When we look at the individual needs of the provinces and territories, there are similarities all across the country, so it makes it more cohesive. For example, Newfoundland and Labrador draw heavily on the work of Nunavut and the Northwest Territories with their aboriginal peoples.

Saskatchewan has an aboriginal literacy network that we would have liked to use as a model in our own province. We don't know if that's going to be possible. There are populations of French Canadians throughout the country. There are similarities there.

That's why, if we look at the country holistically, we can take advantage of those similarities while meeting our diverse needs. That's why we think that a national strategy would speak to a cohesive picture of lifelong learning for this country, but still work for the provinces and territories by engaging them.

**Mr. Ed Brown:** We find it to be rather contradictory, or a dichotomy, to fund a national body without a provincial feed-in. It's like taking the legs off something. You have the body there but you've got no legs. This is exactly how we feel. For all intents and purposes, from our perspective, the national body is now lifeless. I don't know what good it's going to do unless we are operating and feeding in.

As Kim said, we learn so much from each other. We pass things on, and it has to be that way. Otherwise, it's just as well to take the whole system right out and not have the thing. We're not going to be operating to feed into a national strategy or body. And across the country we're finding coalitions—who say they can't do this, that, or the other—withdrawing vital services that we've had in place.

So it counters everything we've always believed in. We would like to see a rationale for it, other than that the previous policy increased adult illiteracy. Besides, that's a term we never use anymore. It's negative and the worst term you could possibly attach to a person.

We've looked at this and asked why it was happening to us. We can't really see it. We have to start rethinking everything. We have volunteers who may stay in place, but it's probably easier to withdraw, because they're making the job so much more difficult.

•(0935)

**The Chair:** Thank you, Mr. Brown, and thank you, Madame Savoie.

I want to assure everyone who brought briefs that haven't been translated that we will take care of that and make sure all committee members get translated copies of that information.

I have a couple of questions for the medical association as well as for the private schools and colleges. First of all, Mr. Regan talked about scholarships, and I was going to touch on that as well. How long has your facility for rural medicine been in place?

**Dr. Michael Jong:** The Society of Rural Physicians has been in place for 14 years.

**The Chair:** I would assume that has probably increased the number of rural doctors available. So it's been an effective strategy.

**Dr. Michael Jong:** That's right. It's been a very linear growth. It started with only 40 of us 14 years ago; now there are more than 2,000 members.

**The Chair:** Excellent.

I'll just comment on my own experience. I come from a town, Beamsville, just outside of Hamilton. We have a physician in that town who has worked with rural medicine at Mac, and I can assure you that what we've found when we've brought doctors into our area to practise at the local hospital is that they haven't stayed. I realize there are other challenges, but obviously that's been a very strategic initiative for you.

We do talk about skill shortages of doctors across the country, and certainly from province to province. There are a number of factors, and you mentioned some of them today. But what do you think is the greatest factor for the shortages? Has it been a reduction of spots overall? I realize that maybe funding and scholarships are some of the factors, but what are the greatest factors for shortages, as you see them today?

**Dr. James Rourke:** In terms of rural doctors, I think part of the biggest issue is conveyed by the metaphor that when the grass turns brown in the suburbs, the drought in the country tends to be ignored, even though it gets worse. As we've had a larger Canadian shortage of doctors overall, the focus on the shortage in the rural areas has become less apparent. That's why it's really important for the committee to focus on the worsening shortage of rural doctors.

The number of Canadian medical students trained reached a low of 1,500. It's now back up to 2,400, but we need to continue to increase that number. We need to make sure the focus on that number continues to one of getting them right out to the country. Admit more students from the country, do more of their training in country locations, and provide support to the physicians and communities who are doing that in a bidirectional way, working with the universities. So decentralizing as much as possible of our training is important, and going beyond the Kitcheners and Windsors to the small communities is vital.

That's why we need champions like Karl Stobbe. We need someone like him in each medical school across the country to lead that charge, because it's maintaining that focus that's going to be absolutely vital.

**The Chair:** Great. That's good to hear. It's good to see that the strategy is starting to pay off—although we have more work to do.

I'll now address my last couple of questions to Mr. Loder. I know that you talked about a couple of different things. I just want to confirm this, but right now it appears that most of your students, or probably all of them, don't receive any type of millennium scholarship—although they get student loans—or are they receiving them? I realize the scholarships are spaced every two and three years. Do you want to elaborate on that?

Then is it fair to assume that you don't receive any funding at all of any kind, by nature of being private schools, with the exception of tuition?

**Mr. James Loder:** Maybe I'll answer your first question first.

It's not accurate to say that no private career college students receive millennium scholarships. Millennium scholarships are set up for students who are enrolled in at least a two-year program; actually it's 90 weeks in duration. There are a minority of private career college programs that are more than that. I know that at my school we've had a number of students who have received millennium

scholarships over the years, but they would be in the minority, not the majority. This points out the deficiencies for students who don't receive them, especially when their neighbour in the class or school is receiving a significant stipend for attending school. So some students do receive them, but they are in the minority.

Your second question is a great one. Private career colleges receive no subsidies from government to operate. I should clarify that by saying that student aid is a loan that's made to students, and there are also a number of federal and provincial programs that support students. Basically, Workers' Compensation and Service Canada will subsidize the education of students, but these involve grants in kind to the student, not to the individual institutions. So we operate purely on the basis of our own revenue.

● (0940)

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

That is all the time we have. Once again, I do want to thank everyone for coming out today. We appreciate your taking the time on this very important issue. As I said, there are many things that feed into unemployability, or the employability issue, and we certainly are hoping we can address those as a committee.

Thank you for being here today.

The meeting is adjourned.

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