

Report on transfer payments sparks feuding

By GRAHAM THOMPSON

A federal report on Ottawa's post-secondary transfer payments to the provinces has revived intergovernmental feuding on university funding which has been brewing since 1977.

The report was written by former CBC President A.W. Johnson and released by the federal Secretary of State Walter McLean at a *Financial Post* conference in Ottawa on March 14.

In essence the report sides with the federal government by arguing that all of Ottawa's post-secondary education (PSE) transfers have not been finding their way to Ontario's universities and colleges.

The federal minister responsible for these transfer payments, Secretary of State Walter McLean, said in March that "provincial grants to universities have risen about two percentage points less than increases in federal transfers," reported *University Affairs* in its latest issue.

The federal Tories increased their payments to the provinces by seven and one-half percent to \$1.65-billion, while the provincial Tories, under Minister of Education Keith Norton, only increased their funding five percent to \$1.244-billion.

Preparing for the current provincial election Ontario Liberal Leader David Peterson was quick to seize upon the issue at a recent Ontario Federation of Students protest at Queen's Park.

"I find it very hard to believe Mr. Miller will give universities the funds they need," Peterson said. "He just got a great deal more money from Ottawa, a seven and one-half percent increase. This money was earmarked for colleges and universities. But Frank Miller didn't pass that money onto our colleges and universities. He spent it elsewhere. The Mulroney government wanted to spend more money on universities and colleges."

Federal Liberal Leader John Turner also toed the federal line

Federal and provincial Liberal leaders sceptical that universities will receive adequate funding from Tories

when he addressed York students at Osgoode Hall Law School on February 8.

The federal government transfers block grants to the provinces for post-secondary education," Turner said. "Every province, except Quebec, is diverting those funds for purposes other than education at the expense of university funds, student loans, and the mobility of our student population."

The Provincial government is upset with the Johnson Report and worried that Secretary of State McLean is endorsing it, said Ron McGinley, a senior advisor on federal-provincial relations in Ontario's Ministry of Treasury and Economics.

"We're rather discouraged that federal government is starting this mudslinging again," McGinley said. "The Secretary of State has swallowed the report almost entirely as far as anyone can see."

While acknowledging that Ottawa and the provinces do not exactly see eye to eye on the issue, McLean and senior officials in his department are maintaining a positive public appearance by refusing to criticize or endorse the report or the positions of the various provinces on federal PSE funding.

"It's this kind of lack of harmony between federal and provincial support for post-secondary education," McLean said, "that I've been talking about with the provincial ministers. I think there is a general understanding that a problem exists and that we have to tackle it jointly."

"The time is ripe for us to establish new linkages, which have stood in the way of federal-provincial cooperation," McLean said at a meeting of the Association of the Universities and Colleges of Canada in March.

In an effort to live up to his government's slogan of cooperative federalism McLean attended two sessions of the Council of Ministers of Education Canada, (with the provincial education ministers), one in December last year and another in January of this year, said Nigel Chippendale, the Director of Policy and Analysis in the Educational Support Sector for the Secretary of State. Chippendale said McLean will be discussing possible changes to the intergovernmental sharing of PSE funding for two or three months before any legislative changes are made.

Since 1967 when the seeds of the present confrontation were sown the

federal government has made three changes in its method of making its transfer payments.

Before 1967 the federal government paid per capita grants directly to the provinces' universities. After 1967 Ottawa paid 50 percent of the operating expenditures of post-secondary institutions, but with the cash going directly to the provinces rather than the universities or colleges involved.

Prior to 1977 PSE fiscal transfers to the provinces were tied to university and college spending (institutionally) so if university spending decreased in Ontario so did federal transfer payments to the provinces for PSE.

Yet, Pierre Trudeau's government introduced the Established Programs Financing Act (EPF), Bill C-37, which released the provinces from the obligation of spending federal PSE money on their colleges and universities.

"In 1977, the Government of Canada introduced a new system under which the federal contributions were no longer 'tied' to post-secondary education," reads the Johnson Report. "They (the contributions) simply went to the provincial treasuries in the name of post-secondary education, but without being linked, in any way, to what the provincial treasuries granted to the universities and colleges."

"The result is the diverging rates of growth to which I referred: a rate of increase in provincial grants to the universities and colleges which is

cont'd on p. 20

YUKON JACK ATTACK #1.

The Snake Bite.

Release 2 fluid ounces of Yukon Jack, a dash of juice from an unsuspecting lime, tumble them over ice and you'll have skinned the Snake Bite. Inspired in the wild, midst the damnably cold, this, the black sheep of Canadian liquors, is Yukon Jack.

Yukon Jack

The Black Sheep of Canadian Liquors. Concocted with fine Canadian Whisky.

For more Yukon Jack recipes write: MORE YUKON JACK RECIPES, Box 2710, Postal Station "U", Toronto, Ontario M8Z 5P1.

順來風飯店
小菜、粥、粉、麵、飯、堂食、外賣

THE WINDS RESTAURANT

SUPERB CHINESE FOOD
DINING, TAKE-OUT & HOME DELIVERY
UNIVERSITY CITY PLAZA
59 FOUR WINDS DR., DOWNSVIEW, ONT.
PHONE 736-4646

MAKE YOUR FIRST CHOICE THE BEST CHOICE!

The Quantum Group of companies, founded in Montreal in 1968, is a diversified international organization operating in six major cities in North America.

Providing its clients in industry and government with a full range of corporate services, The Quantum Group has established a reputation for excellence in various fields, including that of human resources consulting. The immediate demands of our company's growth and the actual opening of an entirely new division of recruitment services, presently necessitate the creation of numerous new positions within the firm.

We are seeking ambitious and dynamic individuals to participate in this exciting ground floor opportunity. Self motivated candidates who seek a career opportunity with an above average remuneration and outstanding growth potential, will thrive in this fast paced and challenging sales milieu.

Upon joining the professional placement staff at Quantum, selected individuals will spend their initial months in an intense and structured training environment, thus providing them with the tools to eventually attain unlimited levels of achievement within the industry.

Individuals who are seeking an opportunity where outstanding sales ability yields maximum rewards are invited to expand their career horizons. Please call or send resume in confidence to:

H. BONNYCASTLE - EXECUTIVE VICE PRESIDENT
868-1811

Quantum Management Services Limited
Suite 460 - P.O. Box 24
1 First Canadian Place
Toronto, Ontario
M5X 1A9

quantum

Welcome to **D'ARCY'S**

Supplied by Willett Foods Limited.

MR. GROCER
University City Plaza 45 Four Winds Dr.

SAVE SAVE SAVE

5% OFF
YOUR GROCERY SHOPPING
(No Limit)

5% COUPON
OFF

CASHIER WILL DEDUCT 5% FROM YOUR TOTAL FOOD BILL WHEN PRESENTED WITH THIS COUPON

MR. GROCER
University City Plaza 45 Four Winds Dr.

Good till May 31/85

Tobacco Not Included