

the effect of reducing the growth in the total transfer to just over 5 per cent per year for five years. It also reduces the annual cash from its 1986-87 growth rate of 6.4 per cent to approximately 2 per cent per year for each of the next five years. Furthermore, it reduces the cash from 54.1 per cent of the total EPF transfer in 1986-87 to 46.5 per cent in 1990-91.

We can see that from the viewpoint of a minister of finance with a strong concern for the management of the national debt, this was a desirable amendment. It may not have been prudent, however, if a federal presence in our post-secondary education system is desirable. As was noted earlier in this chapter, a previous minister of finance indicated that the cash under EPF was a sign of the federal presence in this area. If the cash transfer shrinks relative to the total transfer, it means that the most obvious evidence of the federal presence is shrinking. Mr. A.W. Johnson speculated that the reduction in EPF cash transfers for post-secondary education will indeed reduce the federal presence. He states:

Any major reduction in the PSE transfers will ultimately lead to the elimination of the federal cash payments for post-secondary education, and that, in turn, will extinguish any presence of the Parliament of Canada in the financing of universities and colleges. And when this happens, any possibility of Parliament reasserting its interest in higher education — as an engine of national economic, social and cultural growth — will have been lost.¹⁵

Federal-Provincial Consultation

Before concluding this chapter, we should like to review the desire for, and the extent of, consultation on post-secondary education between the two levels of government since 1977. At the First Ministers Conference on June 14, 1976 Prime Minister Trudeau outlined five federal objectives for EPF:

1. to maintain across Canada the standards of service to the public under these major programs, and to facilitate their improvement;
2. to put the programs on a more stable footing so that both levels of government are better able to plan their expenditures;
3. to give the provinces flexibility in the use of their own funds which they have been spending in these fields;
4. to bring about greater equality among the provinces with regard to the amount of federal funds they receive under the programs;

¹⁵ A.W. Johnson, "Expressing the National Interest in Canadian Universities and Colleges: A Story of Affirmation and Reaffirmation, Then of Rejection and Threatened Renunciation," *The Woodrow Lloyd Memorial Lecture* (University of Regina, October 24, 1985), p. 18.