

Federal-Provincial Fiscal Arrangements

education amount to no more than an increase of 15 per cent in one year.

All Canadian citizens should be concerned about the tremendous increase in the cost of post-secondary education. Dr. Miles Wisenthal, director of Statistics Canada, education division, in a speech at a conference in Banff in 1970, demonstrated how rapidly the cost of post-secondary education has risen in the last ten years and what is likely to happen in the next ten years. He pointed out that education is Canada's biggest industry and that 20 cents of every tax dollar raised from all sources goes to education. He said that per capita education costs have tripled since 1961. He pointed out that 8.5 per cent of the gross national product in Canada goes to education, more than the United States pays, and that in 1969 Canadian taxpayers spent \$6.9 billion on education.

• (2010)

He pointed out that one person in three is either a student, a teacher or a service worker in an educational institution and that this does not include part-time teachers or part-time students. Elementary and secondary school enrolments have risen 30 per cent since 1961, and post-secondary enrolments have risen 251 per cent since 1961. What does he foresee for the future?

Dr. Wisenthal made some projections based on the experience of the past ten years. True, there has been a sudden and pretty significant drop in the past year, but nothing which indicates that his estimates are very far wrong. He points out that education costs could rise to 15 per cent of the gross national product, that while in 1969 the yearly costs per university student were merely \$3,600, by 1980 these costs could rise to \$9,000 per student. By that year, also, the cost to taxpayers for post-secondary education could be \$8.3 billion, more than the total cost of education in 1969.

The government of Canada and the provincial governments not only have a right but a duty and responsibility to consider what is happening in education, both in terms of the number of students attending educational institutions at all levels and in terms of the present and projected costs. We have a right to ask ourselves whether we need so many of our young people and young adults attending schools, universities and community colleges. We have a duty to ask whether an educational system in which a youngster starts school at age five and continues until age 25 provides the best way of educating people, or whether we ought to have a system whereby people go to school, later to work and then return to school for a period of years.

We have a right to ask whether the tremendous amounts of money that we are spending on the upgrading of adults through manpower training courses in our educational institutions is the right method by which to proceed, rather than adopting the system used in other countries where manpower training is carried out almost exclusively on the job.

I do not question the right of the federal government to say that there is a limit to what we can do, but having encouraged the provinces to undertake vast expansion of their post-secondary educational facilities, the federal government should not now say in the middle of the ball game that it is going to stop financing post-secondary

education or sharing its educational costs and that from now on the limit will be a 15 per cent increase in any one year. I agree that we have to think about restricting increases, but this ought to be done through close co-operation and discussion between the federal government and the provincial governments. That has not been done. The decision, as confirmed yesterday by the Secretary of State, upholds my contention that the federal government has made a unilateral decision which is completely unfair and unwarranted.

I wish to deal with one more subject before I complete my remarks, Mr. Speaker. The federal government has adopted a very rigid attitude toward the provinces with respect to the collection of income taxes. Up until now it is apparent that the federal government is not prepared to discuss with the provinces a system of tax credits within the income tax structure. Manitoba was the first province to make a formal submission to the federal government on this matter. It outlined several possible alternative tax credit system and dealt with some of the administrative processes which would be required. Yet to date it has received no detailed response or reaction from the federal Department of Finance.

The government of Manitoba feels that the basic questions at issue in connection with the tax credit problem, from the point of view of the federal government, should be primarily administrative while consideration in respect of specific credit amounts or related questions should fall within the area of responsibility of the provincial governments. There has been no response from the federal government on this matter.

The Manitoba authorities asked for joint discussions so that they could begin to develop a workable tax credit plan. They hope that next year they can begin such a plan and apply it retroactively to 1972. It is difficult to understand why they have had no response from the federal government, because the federal government agreed with the Ontario government's proposal whereby the Ontario government went ahead with a flat rate, retroactive income tax reduction for Ontario residents. Speaking from memory, and I think I am correct, that was a simple reduction across-the-board of 3 per cent.

The government of Manitoba, ever since it was first elected, has said it wants to establish its taxation system on a much more equitable basis so that people will pay taxes in a way in which they can best afford to pay them. Instead of a simple across-the-board tax cut, Manitoba wants to institute a system of selective tax reductions for people in the lower income brackets.

We have heard many government spokesmen talk about equity. Again and again the Prime Minister (Mr. Trudeau) has said that we are moving toward a more equitable society, one in which the people in the lower income brackets will be brought closer to an adequate standard of living. When we have the 1971 census figures analysed, I do not believe the evidence will show that in fact we are moving toward a more equitable society. I believe that, when analysed, they will show the complete reverse, that the differences between people in the lower fifth of the income levels and those in the upper fifth are widening rather than narrowing.

[Mr. Orlikow.]