

could bring relative financial advantages to the four more wealthy Canadian provinces, and would need—I emphasize this—to be counterbalanced by sequential changes to upgrade the effect of these corrective or equalization grants. The six provinces that at present are less-favoured financially regard as crucial the equalization principle of the present tax rental agreements and I believe they would resist any attempts to dilute the financial benefits flowing from this recognition of fiscal need.

A letter of Premier Campbell, reported on page 592 of *Hansard* of the House of Commons, underscores the position that the Manitoba Government plans to take at this November fiscal conference. I quote from his letter, dated September 26:

I am sure that you and your colleagues are familiar with the traditional position which the province of Manitoba has taken with respect to the tax agreement system. Our province has consistently been a foremost advocate of the principle of equalization—a principle which was fundamental to the former tax rental agreements and which has continued to be recognized in the present arrangements. We will certainly not willingly accept any abandonment of this principle, or the adoption of any formula which failed to continue to provide to the less wealthy provinces a position relative to that of the other provinces at least as favourable as that which they hold under the present arrangements.

And note the next paragraph:

At the forthcoming conference, therefore, we will look forward to hearing proposals put forward respecting revisions in the present tax-sharing formula which will give greater recognition to this principle of equalization and result in the provinces obtaining a larger share of the tax resources available to government in Canada.

One last point before I leave this problem of dominion-provincial fiscal relations. I have often wondered why we continue to make such extensive use of conditional or matching-grant payments to provinces. Why is it not possible to evolve a comprehensive transfer payment formula, recognizing the element of our national obligation in such important provincial responsibilities as health and welfare, highways, education and perhaps, municipalities? Why should this formula not be fixed for a fairly long period and be self-adjusting with respect to population and *per capita* income? And why should these payments not be unconditional or outright grants with no federal Government control or supervision of how the spenders do the spending?

I should like to turn now briefly—and I think you will expect me to—to the problem of the increased urgency in the developing crisis in education at all levels.

Soviet satellites 1 and 2—*Sputnik* and *Novoputnik*—can be regarded as symbols of the tremendous advances made by the U.S.S.R. in the fields of science and applied

technology. They focus our attention on the relative status of the Western democracies in the scientific, technological and military fields. *Sputnik 1* had something to do with the conference between Prime Minister Macmillan and President Eisenhower and with the plans now being evolved to pool the scientific brain power and the creative resources of the North Atlantic Alliance. Perhaps these developments should focus our attention on the increased urgency of the continuing crisis in Canadian education generally. Although much has been spoken about the developing crisis in education, and although a greater awareness of these problems has brought many helpful advances, the fact remains that still greater efforts are needed.

How else are we to meet the challenge of the breadth of horizons that are before us in Canada? Permit me to quote from an address delivered by the editor of the *Winnipeg Free Press* on October 19, 1957. It is a challenging statement, and I want you to share it with me:

Never have people had a better foundation on which to build—in the strength and soundness of our basic institutions, the richly diverse cultures that have come to us from all over Europe, the richness of our physical resources. If there is a country in the world that should be capable of leading a great new Renaissance, of doing so before the end of this century in the lifetime of men and women now in their twenties and thirties, surely that country is Canada.

Surely Canadians have more chance than people anywhere to rise to new triumphs of the human intellect, to lead the march of mankind to higher standards of tolerance and kindness and understanding in the life of man with man.

The speaker drew political inferences from this statement. I am more concerned with its educational implications. I believe that a basic key to the eventual realization of these horizons is the education of our younger generations—our most valuable national resource. This challenge to education is not only internal, to meet adequately what we may regard as purely internal purposes of our national development; the challenge is also external, for we must meet head-on the challenge of the Communist world, whose dictatorship, self-anointed, has decreed top priority for massive and disciplined educational endeavours to train the available brains needed to steer their vast Communist-directed, industrial, commercial, scientific and military potential first to outstrip the West—and then?

What are some signs of the crisis in education? We must examine this educational challenge to us in the context of these disturbing realities:

1. There is a continuing shortage of scientists, engineers, technicians and other