

Equalization Payments to Provinces

the minister's predecessor brought down legislation relating to federal-provincial financing some two years ago he provided the house with tables showing comparative statistics, what provinces were getting under the existing agreement and what they could anticipate receiving under the new proposals. That made it easy to compare the relative advantages or disadvantages of the proposed legislation. Has the minister such tables? Could he undertake to obtain such tables before we deal with the bill on second reading?

Mr. Sharp: I had prepared such comparisons for the meetings of the tax structure committee. I shall have to see whether those must be brought up to date. I shall be happy to provide this kind of information to the house or to the committee.

• (9:50 p.m.)

Mr. Douglas: I should like to ask the minister whether he could give us some statistical data which would help us to understand the new proposal with respect to the financing of post-secondary education. First, what are the estimates of operating expenditures of institutions of post-secondary education on which the government has based its estimates of the costs of the fiscal transfer, categorized as follows: (i) total by provinces, and (ii) operating expenses of degree-granting universities, by provinces? The second question I should like to ask the minister is this: What are the estimates of population, by provinces, on which the government has based its estimates of the costs of the fiscal transfer? If we could get this information it would be useful to us in trying to make a proper assessment of the legislation.

Mr. Sharp: I understand that my colleague the Secretary of State is prepared to put her statement on the record now. It might help to answer some of these questions and so facilitate the work of the committee.

Miss LaMarsh: Mr. Chairman, I am pleased to have this opportunity to associate myself with the Minister of Finance in introducing this resolution relating the new federal-provincial fiscal arrangements. I should like to refer in particular to the measure which will be introduced under this resolution to provide for post-secondary education adjustment payments.

As indicated at the October federal-provincial conference, the federal government proposes to co-ordinate its general financial

support of the two main sectors of post-secondary education—technical training and university education—under one program, and to make fiscal transfers to the provinces to assist them in meeting the fast rising costs of post-secondary education.

A word about the origin of these new proposals may be helpful to the committee.

Following publication of the Bladen report in 1965, the federal government acted immediately to increase the rate of the per capita university grants as an interim measure, pending a detailed review of policy and discussions with the provinces. The grants were increased for 1966-67 from \$2 to \$5 per capita, involving an increase in total allocations under the program from \$40 million to \$100 million.

The policy review subsequently undertaken was designed to take into account the fiscal needs of the provinces not only in relation to university financing, but the whole area of post-secondary education. Community college developments and the fast growth of technical training facilities called for such a comprehensive approach by the federal government, especially in view of the March 1967, termination date of those technical and vocational training agreements relating to training at the post-secondary level.

The government's desire in co-ordinating its future assistance to post-secondary education is to facilitate comprehensive planning on the part of the provinces, and of course to assist them financially in carrying their appropriate share of the extremely heavy cost burden created by the rapid expansion of all forms of post-secondary education.

The government proposes that the calculation of the amounts to be transferred be tied to the rising costs, so that its future contributions may be adequate and its future commitments known. In particular, the federal government proposes to transfer in total amounts the equivalent of whichever is greater in a given province: 50 per cent of its post-secondary operating costs, or \$15 per head of population in 1967-68. These latter amounts will be increased in future years at the rate of increase in post-secondary education operating expenditures in all provinces in Canada.

The central concept in this plan is that the fiscal transfers will be calculated in relation to post-secondary operating expenditures only. The federal government considers this the only satisfactory measuring stick of rising education costs, and is prepared to increase its future transfers by the rate of increase in