

*Established Programs Financing***FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS  
AND ESTABLISHMENT PROGRAMS FINANCING ACT,  
1977**

## MEASURE TO AMEND

The House resumed from Friday, January 27 consideration of the motion of Mr. Lalonde that Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

**Mr. Pat Nowlan (Annapolis Valley-Hants):** Mr. Speaker, I am pleased to participate in the debate on Bill C-12. As the Minister who introduced the Bill on Friday indicated, it is, in effect, imposing the six and five program of the Government on post-secondary education financing.

As my colleague, the member for Mississauga South (Mr. Blenkarn), stated on Friday in response to the Minister, it is paradoxical to say the least that the Government is moving at this time to impose six and five on post-secondary education. The Minister in his opening remarks on Friday got a certain amount of satisfaction from pointing out that the rate of inflation, which is the whole reason we talked about six and five, a program which the Government brought in, had been reduced from 11.2 per cent to 4.5 per cent.

• (1110)

I could talk about the formula in this Bill C-12, Mr. Speaker. It is almost incomprehensible to the layman. You talk about squaring the cube root of escalators, numerators and denominators. You need to be an accountant with a computer even to start to make any intelligent sense of the escalator clause, devised by some wizards in some ivory tower to impose, in effect, the six and five program for the next two years on university financing.

I say categorically this is the wrong Bill at the wrong time for the wrong reasons. The Minister himself says that the reasons have really disappeared because the inflation rate is down 4.5 per cent. Let us say the six and five might have helped a little, but there is certainly a lot of smoke and mirrors about it. According to statistics though, the inflation rate is down to 4.5 per cent. The bottom line is that with this new escalator to impose six and five a year and a half after the Government brought in the program, when the inflation rate is down below both 6 per cent and 5 per cent, it will mean that post-secondary institutions will get fewer dollars.

The Minister is an intelligent person from an interesting riding in a part of Canada that is known sometimes for its intelligence. He knows himself that to decrease the dollar amounts, as you interpret this escalator clause in Clause 7 of the Bill, Mr. Speaker, you are giving less dollars to post-secondary institutions which are facing increased costs—we all know that—and also facing increasing enrolments. Increasing

enrolments are vicariously related to increased costs. A lot of students now are going back to university because they cannot find jobs in the job market. Once you get that type of equation of increased costs, increased enrolments and declining funding—no matter how you call it, it is a rose which still has the pricks of the thorn—you are adversely affecting funding to these institutions. You are starting to limit the access of students and thus, starting on the other side of the coin, perpetuating an elitism in universities that is not healthy for the country. If you do not have the dollars for the institutions, especially institutions in Atlantic Canada from where I am privileged to come, you start to have an adverse effect on the standards of the education that is so vital to the growth of this country.

I have only to read from the Massey report of 1951. In effect, the Massey Royal Commission was the last real royal commission on higher education and culture which resulted in many progressive steps, including the Canada Council. There was recognition that the federal Government had to get involved in higher education, especially in view of post-war activity, when veterans who fought and defended the country came back to enrol in colleges. Let me read from a part of the report which, even though it was produced in 1951, is so prophetic today and crystallizes the situation. The report argued that the universities “serve the national cause in so many ways, direct and indirect, that theirs must be regarded as the finest of contributions to national strength and unity”. When more have we needed institutions to help increase the national strength and unity of this land?

The commissioners also found that the institutions had been starved for resources and were “facing a financial crisis so grave as to threaten their future usefulness”. They were victims of “the twin spectres of falling revenues and rising costs”. Hence, one of the most urgent recommendations in the Massey report of 1951 was that the federal Government, because of the national interest, had to become involved in direct grants to universities based upon the student population of the institution. In effect, it asked for a national Government scholarship fund, for the establishment of a council and for encouragement of the arts, letters, humanities and social sciences. They were also to be supported by the Government. Of course, it became the Canada Council. If those reasons were valid enough for Mr. Massey, that eminent Canadian, and his eminent commissioners to become directly involved in financing, they apply even more today. The Government, under the smoke and mirrors of six and five, should not cut back on post-secondary funding.

• (1115)

In the brief time I have I want to direct my remarks to the fact that while this hits all universities across the country, it hits the maritime or Atlantic universities especially hard. There are very responsible and respected post-secondary educational institutions in Atlantic Canada. Basically I will talk