

Established Programs Financing

● (1600)

GOVERNMENT ORDERS

[English]

**FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS
AND ESTABLISHED PROGRAMS FINANCING ACT,
1977**

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. MacLaren that Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, be read the third time and do pass.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, this is the second occasion on which I have had the opportunity to speak in debate on Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977. The first occasion was at second reading on February 7 when I discussed the problems with the Bill in principle. Today at third reading stage I wish to deal with the Bill in greater depth, this time focusing on the problems of underfunding of post-secondary education from the point of view specifically of the Maritime Provinces.

Among other things, Bill C-12 provides that in the fiscal years 1983-84 and 1984-85 the increase in the federal Government's per capita contribution to the cost of post-secondary education will not exceed 6 per cent in the first year and 5 per cent in the second year. Thus, the Government, as the Hon. Member for Kingston and the Islands (Miss MacDonald) said so eloquently, is imposing a strict limit on expenditures for universities and colleges of Canada.

It is true, Mr. Speaker, that the inflation rate in Canada has been easing down a bit. It was at 12 per cent and 11.5 per cent and has slowly eased down to about 5 per cent or 5.5 per cent this past year. Some may ask, as Members on the Government side do, what the problem is. There are several problems. First, current trends suggest that the inflation rate will likely far exceed 5 per cent in the coming months. Last month the figure was 5.5 per cent, a rather sharp increase from the month before. Almost all reliable forecasts indicate that the problem could get worse.

Second, the rate of increase in university and college expenditures is much higher than in the economy as a whole as a result of conditions that are peculiar to educational institutions. One need only cite the burgeoning costs of laboratory equipment and library books to make that point. Such rate increases, which have been almost exponential in recent years, are well beyond those reflected in the so-called consumer price index. Although the national CPI figure for Canada last month was 5.5 per cent, universities have been faced with cost hikes of 35 per cent and higher for much of their specialized equipment, especially in the natural sciences. Because capital budgets have been all but frozen at many campuses for the past five, six or seven years, their physical plants are becoming antiquated. Consequently, even routine maintenance and oper-

ating costs are skyrocketing well in excess of any CPI figures that could be cited.

Finally, Mr. Speaker, for other reasons universities and community colleges are forced to do more with less. They are being compelled to provide more education with less money. Nowhere is that point clearer or more true than in the area of student enrolment. In the Maritime region, for example, the student population has been expanding at a dramatic rate over the last four years. The total increase in full-time enrolment since 1979-80 is over 25 per cent. That increase is equivalent to the total student population of the two campuses of the University of New Brunswick. Yet Government funding for universities throughout the region, and I would argue throughout Canada, has ignored such changes. Certainly there has been nothing like a 25 per cent increase in funding in real dollar terms. In 1983-84 we will see the seventh year in a row in which government operating grants for full-time students have declined in constant dollars. The Maritime universities are being compelled to manage this year with government grants, the actual value of which on a per student basis, given inflation, is 30 per cent less than it was in 1976-77.

In the face of the funding crisis—and I use the word “crisis” advisedly because it is a crisis—the institutions have been slashing expenditures to the bone through every possible cost efficiency. Unfortunately, there remains little fat to be cut, and now even the bone itself is being sliced into. The consequences of this development are dire indeed, Mr. Speaker.

Professor Reginald Stuart is the chairman of history at the University of Prince Edward Island. He expressed the point graphically in recent correspondence to me. As he put it, it takes many years to construct a quality university. In five years of funding neglect one can erode what will require another 15 years of effort to rebuild to comparable levels. He argues that it takes one to three years to develop a new program, a year to put it in place, and an additional one to two years before it produces graduates. I quote Professor Stuart as follows:

A focus on dollars and percentages will obscure the complexity of the issue. Universities, however, cannot adjust rapidly to shifting conditions without damaging their stability, a part of their social value.

● (1610)

There can be no question at all that underfunding has affected the quality of education not only in the Maritimes and in the Atlantic region generally, but in other regions right across the country.

Dr. Elizabeth Hall, Director of Research and Development at the University of Prince Edward Island, illustrated how this can happen at the practical level. With your indulgence, Mr. Speaker, and with that of others in the House, let me quote Dr. Hall's excellent point in this respect. She said:

The reduction in funding has affected the level of laboratory assistants the university has been able to employ to set up laboratories for undergraduate students. The result is that professors very often spend a considerable amount of time setting up routine labs for themselves. This cuts down on the amount of time they are available for discussion with students regarding their particular problems and it also cuts down on the professor's time for research.