

**early consideration be given to the establishment of a focal point or mechanism to ensure internal co-ordination of federal programs related to post-secondary education.**

The ministers most likely to be involved on an ongoing basis in such an arrangement would appear to be the Secretary of State, the Minister of State for Science and Technology and the Minister of Employment and Immigration.

**Level and Form of Federal Support** It is clear that in most provinces, the value of the EPF transfer—whether measured in cash or as a total of cash and EPF tax point value—has grown faster than provincial support for higher education in recent years. This is illustrated in Table V-3, which also shows the large role played by the federal government in supporting provincial financing of post-secondary education since 1967-68. As discussed in Chapter III, there is a controversy about the quantum of federal support, that is, whether the federal contribution should be seen as including EPF cash plus the value of the related tax transfer, or as the cash only. However, no matter which measure is used, there is no doubt that federal action over the years, in one way or another, has underwritten provincial financing of higher education to a remarkable degree.

Representatives of the provinces pointed out that the rate of growth of the EPF transfer has fallen, and can be expected to be somewhat lower than nominal Gross National Product (GNP) increases over the next few years—a period when provinces expect higher education costs to rise faster than economic growth. It is true that if the present arrangement were to be continued with the same annual escalator (a three year moving average per capita GNP growth), federal contributions probably would fall behind inflation. On the other

hand, forecasts of higher education operating costs available to the Task Force indicate virtually no increase in costs in real terms over the next several years. In fact, these forecasts (see Table V-4) suggest that post-secondary operating costs in 1981 constant dollars could fall short of GNP growth by perhaps one percentage point annually during the next five or six years. Much depends on participation rates across the demographic spectrum—that is, on the personal decisions of those who might be candidates for post-secondary level training. Government policies to encourage increased enrolment or retraining in areas of highly-skilled manpower shortages could also change the picture. However, current projections of post-secondary enrolment figures, set out in Table V-5,\* indicate declines in all provinces throughout the rest of the 1980s.

Given the scale of recent increases in the federal contribution to post-secondary operating costs documented in Table V-3, our view is that current federal support to this area is certainly adequate. It is apparent, however, that many, perhaps most, post-secondary institutions are finding it difficult to make the adjustments essential to serving the country's changing economic, social and other needs. There appears to be no doubt that these difficulties are being compounded by financial constraints. The underlying question in this regard is the adequacy of the resources institutions will receive from the provinces in the years ahead. The Task Force appreciates that most provinces are coping with the need to effect overall restraint on their budgets and that many of them will not find it easy to ensure that post-secondary education has resources it may require. Provincial problems in this regard could be exacerbated—and seriously exacerbated for some—if the federal government's support were suddenly to be capped or reduced. *It is our view that such precipitous action should be avoided and that, indeed, federal general support should be continued on the current basis, at least until the two orders of government have consulted about the goals and future needs of the higher education sector.*

*The provision of federal post-secondary assistance through 'block-funding' along the lines of the present arrangement has widespread support, on the part of both governments and representatives of the academic community. We also believe that this method of providing general support to*

\*The forecasts of costs in Table V-4 are based partly on the projected enrolments of Table V-5. Table V-5 shows provincial variations, but a 1982 peak in full-time equivalent enrolments in Canada. However, David K. Foot, after an intensive analysis of relevant data concluded that "...further increases can be anticipated for the next three or four years". Foot dealt only with university enrolments whereas Table V-5 covers other post-secondary institutions as well. See—David K. Foot, "A Troubled Future? University Enrolments in Canada and its Provinces", in David M. Nowlan and Richard Bellaire, eds., *Financing Canadian Universities* (Toronto: OISE Press, forthcoming, August 1981).