

renews and improves a set of interrelated fiscal arrangements which are fundamental to federalism and national unity in Canada. On that basis I feel sure that it will be received with keen interest and debated with understanding in this House.

• (1620)

Mr. Deputy Speaker: It was my understanding that the Minister of Finance (Mr. Turner) intended to ask for leave to table certain documents. Did I understand correctly?

Mr. Turner (Ottawa-Carleton): I said, Sir, that when we reach the committee stage, if we do, I would be glad, in response to any request made in the committee hearing, to table documents in committee.

Mr. Deputy Speaker: I beg the minister's pardon. I misunderstood him.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I wish to thank the House for giving unanimous consent to my introducing Part VI of the bill. I think that all hon. members will benefit from having the bill explained to them now. Any hon. member who is not a lawyer, at least, is bound to find the legal language used in the bill very difficult to understand compared with the relative simplicity of explanations given in non-legal terms.

Therefore, I am happy to join my colleague in introducing Part VI of this bill under which, as you know, the post-secondary education adjustment payment program adopted in 1967 will be continued for the next two fiscal years, that is up to March 31, 1974.

The federal-provincial conference of October 1966—hon. members will no doubt remember—was preceded by three days of talks on the financing of higher education, to which the Prime Minister of Canada (Mr. Trudeau) and all his provincial counterparts at the time participated.

The Canadian government then indicated some changes to be made to its policy concerning financial aid to education, particularly secondary education. The first object of these policy changes was to replace the system of grants to universities being distributed through the Association of Universities and Colleges of Canada—and in the case of Quebec, by means of some tax-sharing arrangements between the federal government and the provinces—by assistance enabling the provinces to cope with the increasing cost of post-secondary education, for operation expenses as well as for capital expenses, under a special arrangement concerning fiscal transfers.

The second object was to eliminate any distinction between university training and post-secondary technical or professional training, in fact, to eliminate anything which, on account of the federal contributions, could indirectly exert some influence on the particular trend of development of institutions in any province.

The third object was to substitute an adult professional training program to the assistance granted under the Technical and Vocational Training Assistance Act of 1961, which was about to expire.

[*English*]

Hon. members will realize, I believe, that these programs have expanded very significantly during the past

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five years. The assistance offered through Part II of the Federal-Provincial Fiscal Arrangements Act, 1967, has doubled. Under the post-secondary education support program, fiscal transfers made by the federal government to the provinces rose from \$422 million in 1967-68 to \$870 million in 1971-72. I would like, with the permission of hon. members, to table some statistical material regarding payments made from 1967-68 to 1971-72 under Part II of the 1967 act. While the remarkable expansion of post-secondary education in Canada during the late 1960's was made possible by energetic leadership on the part of those concerned, both in the provinces and in the institutions themselves, the action of the federal government in assuring financial support provided the needed stimulus.

We are all aware that public expectations with regard to education grew steadily during the 1960's. The expansion in enrolment and educational services during this period resulted in a rapid escalation of costs, with total expenditures on post-secondary education by all levels of government rising from about \$340 million in 1960-61 to over \$2.5 billion in 1971-72, and the federal share rising from 25 per cent to 49 per cent during the same period. The rate of increase in total expenditures on post-secondary education has been considerably higher than the growth in GNP and this cost escalation has been of great concern to all governments, both in relation to government revenues and in the allocation of funds between priorities.

Realizing the complex problems which arise when growth is so rapid and when programs, such as the post-secondary education fiscal transfer, manpower training, research support to universities, and student assistance, are so diverse, the federal government is undertaking a review of its future long-term involvement in post-secondary education. I wish to assure the House that this review will be made in full consultation with provincial authorities, of course.

Following a letter dated November 9, 1970, which the Prime Minister sent to the first ministers concerning the federal-provincial post-secondary education fiscal transfer program, I began, early in 1971, consultations with the Council of Ministers of Education of Canada and with each of the individual ministers to obtain their general comments on the operation of our program for the two years 1972-73 and 1973-74. In the light of all the circumstances, it was felt that a ceiling should be agreed upon to limit the annual rate of growth of the federal contribution. These points were discussed with each minister of education and, on two occasions, I met with the Council of Ministers of Education of Canada.

The federal government has found these consultations very helpful and we shall try to ensure that co-operation with the provinces will continue in the future.

[*Translation*]

Part VI of the bill now before the House will permit continued progress of post-secondary education in the provinces until 1974; we will then be in a position to make a detailed and motivated statement on the attitude contemplated at that time.

Part VI of the bill therefore extends for two years, until March 31, 1974, the post-secondary education fiscal transfer program. It sets at a yearly maximum of 15 per cent the national rate of increase in the federal contribution