## Royal Commission

tions — MIT, Harvard, Yale, Dartmouth, Columbia and Princeton. These private universities are charging \$12,000 tuition fees, and the cost of attending is largely borne by students.

However, the existence of the private institutions must be considered in context. They are operating in conjunction with the publicly-supported universi-

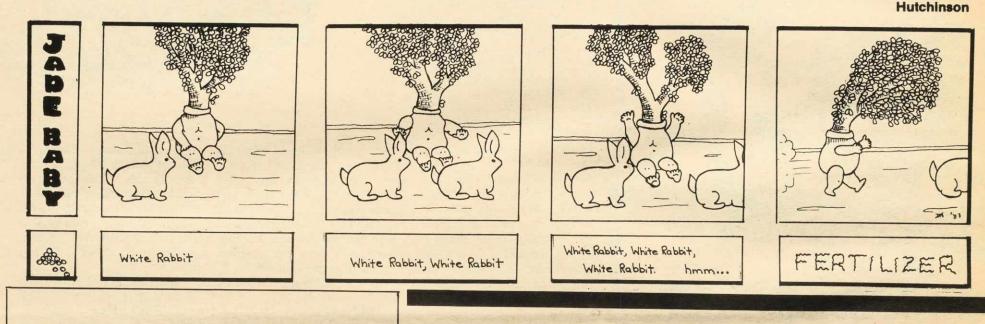
ties in the United States (and indeed Canada). The guiding principle of United States policy is not that post-secondary education can be left to the free market. Education in general and post-secondary education in particular is treated as a public, good, because market forces alone will produce an insufficent supply of university graduates. In the United States, public policy is to support a system of public universities which provide 79 per cent of postsecondary education places. Any analysis of tuition and funding policies in the United States which does not recognize the public universities as the basic delivery mechanism and dominant force is allowing the tail to wag the dog.

Another attempt to evade the reality that increased public support is required is the proposal that universities should spend more of their time pursuing private support. In an environment where public support is being reduced, such suggestions are calls for voluntary taxes. Canadians can already argue that they are contributing enough voluntarily.

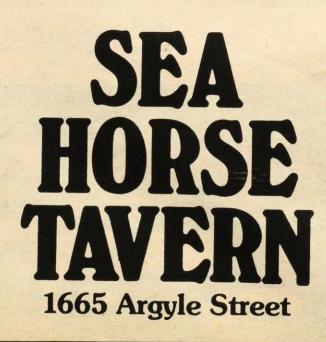
Private donations cannot be the main pillar of support for the system or even the engine of growth. Private funds account for only 7 per cent of operating expenditures of United States universities and 8.4 per cent at Canadian universities. Even a huge response for appeals for private giving will never yield results on the scale required to achieve the kind of expansion which competition demands. It is also unrealistic to expect the Canadian business community to assume a substantially larger share of university financing than does its United States counterpart.

The federal government has implemented changes to the escalator provisions of the Established Programmed Financing Act which will reduce, over the next decade, federal grants to Nova Scotia in respect of postsecondary education. This will handicap Nova Scotia in financing post-secondary education facilities of an extent and quality equal to those of other provinces.

The provincial government record has been dismal, even while the EPF programme was providing annual increases in support. Fifteen years ago, in 1972-73, university operating grants were 8.63 per cent of total provincial government expenditures in Nova Scotia. Five years later, in 1977-78, this proportion had fallen to 7.3 per cent. This year, only 5.5 per cent of the total provincial expenditures will go to support the universities. The shortfall from the 1972-73 funding level is now over \$100 million per year.



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