

course, have all the tax resources required under the present system in order to be able to administer their business as they see fit.

We already have this centralization that has always been exposed and we will indeed have an opportunity tomorrow to expose it even further in our opposition day, Mr. Speaker. This decentralization is not only necessary but in fact essential to this country. In a country as vast, as large as Canada, a country bigger than the United States and even Europe from a geographical point of view, let us not claim that we are in a position to control everything, to set everything, let us not claim that we can achieve serious coordination of all parts of a country as vast as ours. And this, all the more when the ethnic difference which should be taken into account underlines more clearly the need for decentralization.

Then, of course, the governor in council would make regulations defining certain expressions for the purposes of this act and I quote the relevant subparagraphs:

(iii) the expressions "junior matriculation" and "post-secondary level",

(iv) the expression "assisted, sponsored or contract research", and

(v) the expression "operating expenditures incurred for post-secondary education" by or in respect of an educational institution or secondary institution;

Mr. Speaker, when we read through these subparagraphs, we realize that we are faced with an established fact, which is that the federal government is interfering, without any embarrassment, in matters that come under the exclusive jurisdiction of the provinces.

It is a *fait accompli*. I find this extremely unfortunate, and I feel we could remove the subparagraphs. But I do not think we will ever change anything with amendments of that type. So, until we are determined to change from the start the whole tax system, until we acknowledge the need for reform of our economy and our monetary system, in short, until we come to realize that we have to change our constitutional structure in order to give every area, every citizen or every group of citizens in this country the opportunity to become more liberated and to develop better, we will just be marking time, so to speak.

This is why I say that all those amendments that we want to propose would of course preserve a principle very dear to the heart of the province of Quebec, that of remaining in control of education. But I feel that this is only a small thing when we consider that the whole bill under study should have been amended—and this, within a process of general constitutional reform.

[English]

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, reference has already been made to the obscurely worded amendments proposed by the official opposition. I make no comments on these amendments because they appear to bear very little relationship to the important points that were made by the hon. member for Fundy-Royal (Mr. Fairweather) in advancing them. This is not the first time that opposition proposals have been badly related to the substance of the real issues before Parliament, but I think all of us here should be very concerned about the measure which is before us and about the judgments which have been placed on it by the university community.

Federal-Provincial Arrangements Act

I make the suggestion, Mr. Speaker, that it would be helpful to hon. members if they read the March 14 proceedings of the Standing Committee on Finance, Trade and Economic Affairs when the Association of Universities and Colleges of Canada made its presentation to the committee. Running all through that presentation was not only a clear note of concern and apprehension, but a clear note of warning that the present system of federal involvement in the financing of Canadian universities was open to serious question. My purpose in speaking in this debate is not to review all the intricacies of the discussion which took place in that committee and which has been carried on in greater detail throughout the country.

The present system of financing Canadian universities is for the provinces initially to set the standard, as it were, by determining how much money they will devote to university education in terms of operational expenses as defined in the regulations. When that determination is made, the federal government becomes a passive contributor of an equal amount of money. If a province chooses to spend a lot of money on university education, then it will follow that the federal government will spend a lot of money in that province. If another province decides to spend a lesser amount of money or, what is more important, a lesser percentage of its total expenditures on university education, then the federal contribution to university education in that province will be less. This leads to the obvious result which was underlined by the representatives of the universities and colleges, namely, that we do not have a common national standard of excellence in Canadian universities.

Without going into detail, Mr. Speaker, it was quite clear that the representatives of the universities and colleges were concerned because there were varying standards of quality in university education and that they were brought about because of differing financial resources. This is a matter which should be of great concern to us and really a principal reason for reviewing very carefully the basis of university financing in this country.

There is another concern which is growing and which is also a product not only of the financial arrangements described in this bill but of the financial assistance given to students pursuant to the student loans underwritten by the federal government, and the grants of assistance to students made by provincial governments. There is no question that the declining mobility of Canadian students from province to province is a feature of modern university life in this country. Canada benefited greatly from the fact that students from one province could be attracted to a university in another province.

We need every incentive we can find in this country to overcome our regional differences and parochial attitudes, but the present nature of university financing arrangements, coupled with the provisions for granting student assistance, puts more and more of a premium on students going to universities only in the province in which they reside. This to me is a trend which is not satisfactory and should not be encouraged.

• (1650)

Coupled with it is the fact that the present nature of university financing arrangements and student assistance