

During the past few years, federal support to education has undergone significant change. As a result of the federal-provincial conference of October 1966, the federal government undertook to provide increased support to education. Recognizing that education is a provincial responsibility, it decided to discontinue payment of operating grants directly to universities and to expand its support beyond university education and included in its program all, or almost all, post-secondary education, i.e., the educational institutions and courses requiring for admission at least junior matriculation, or its equivalent, in each province. The provinces were offered the choice of either a federal per capita grant of \$15 based on population or 50% of operating costs of post-secondary education, whichever was greater. Implementing this proposal, Parliament passed the Federal-Provincial Fiscal Arrangements Act in March 1967. This Act authorized the transfer of specific percentages of federal revenue plus required cash from the federal treasury to the provinces for a five-year period commencing with the 1967-68 fiscal year.

The financial resources transferred to the provinces were \$422.3 million in 1967-68; estimates for succeeding years are \$532 million in 1968-69, \$649 million in 1969-70, \$771 million in 1970-71 and \$876 million in 1971-72. The program has been extended for two years, and the amount to be transferred to the provinces in 1972-73 is estimated at \$972 million.

Under the Adult Occupational Training Act the federal government, through the Department of Manpower and Immigration, takes full responsibility for financing the cost of training adults who are or should be in the labour force. The cost of providing primary, secondary and post-secondary education remains a provincial responsibility, although this last sector receives federal support for operating costs. If, in the opinion of a counsellor at a Canada Manpower Centre, it is in the best interest of the individual and of the economy for an adult to undertake training or retraining, it will be purchased by the federal government from a public or private training institution or from industry. The program also provides for payment of allowances to persons whose training programs have been arranged by a manpower counsellor. Payments range between \$30 and \$118 per week, depending on the individual's economic responsibilities.

The Capital Assistance Program was begun in 1961 under the Technical and Vocational Training Assistance Act and continued in 1967 under the Adult Occupational Training Act which set a limit on the total amount payable to each province. It provided assistance to provinces for building and equipping occupational training facilities and by March 31, 1971 the federal government had contributed nearly \$1,100 million toward costs incurred by the provinces for this purpose. In 1970, in order to speed up the construction of needed training facilities and aid the provinces with their cash management problems, the federal government and the provinces agreed to an accelerated phase-out of this program. The provinces received the remainder of their entitlements in 1970-71 and 1971-72, to be spent on vocational training facilities by March 31, 1975. A total of \$76 million was paid to the provinces in 1971-72 under the accelerated phase-out and the normal procedures.

Under the Canada Student Loans Act (RSC 1970, c.S-17), full-time students may borrow up to \$1,400 annually to a total of \$9,800. Loans are interest-free while the student is enrolled and for six months thereafter. Provision is made for the total amount allocated to this program to be increased year by year in proportion to the increase in enrolment in post-secondary institutions. The purpose of the loan plan is to assist those students who, for financial reasons, would otherwise be prevented from acquiring a post-secondary education or would not be able to devote full time to their studies. These loans may be made only on the basis of certificates of eligibility issued by the participating province. There is no upper or lower age limit for eligibility. Funds authorized by certificates of eligibility are issued by the chartered banks, the federal government guaranteeing the loans and paying the interest while the student is attending college. All provinces except Quebec participate; Quebec offers its own student assistance program for the benefit of residents of that province.

The Act provides for basic allocations for each province and also for supplementary allocations to compensate for differences in relative demand as between provinces, based on provincial population in the 18-24-year age group. The basic allocations for the year 1971-72 for participating provinces totalled \$87.3 million with authority for discretionary allocations up to \$37.6 million, making a total maximum of \$124.9 million authorized under the Act. Loans actually authorized amounted to \$91.8 million. In addition, federal payments to lending institutions in respect of interest on outstanding loans and other operational expenses amounted to \$23.3 million.