

deciding on the magnitude of the municipal responsibility. In New Brunswick, the provincial government took full control of public elementary and secondary education. Consequently, the revenue used for public education is derived almost entirely from provincial taxes (real property and sales taxes). Financial arrangements in Prince Edward Island are similar.

#### 7.4.2 Federal contributions

In 1973-74, federal government expenditures on education amounted to \$985 million excluding monies transferred to provinces under the terms of the Federal-Provincial Fiscal Arrangements Act; of this, some \$280 million was spent at the university level, and expenditures on non-university post-secondary education, including vocational training, amounted to \$525 million. Finally, direct expenditures by the federal government on elementary-secondary education and teacher training accounted for \$180 million.

Some 66 federal government departments and agencies contribute to education in one way or another. The federal government has no responsibility for the organization and administration of education but it does have a vital interest in the availability of education, the skills of the population and the extent of scientific research carried on in Canada, realizing the effect of these on the national economy and on individual and social development.

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. It 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 and renewed in 1972.

The financial resources transferred to the provinces were \$422 million in 1967-68, \$528 million in 1968-69, \$654 million in 1969-70, \$843 million in 1970-71, \$985 million in 1971-72, and \$1,058 million in 1972-73. The amount to be transferred to the provinces in 1973-74 was \$1,143 million.

**Adult Occupational Training Act.** The federal government, through the Department of Manpower and Immigration, provides occupational training to adults who are or plan to be members of the labour force. If, in the opinion of a manpower 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, the person may be placed in a training place 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 \$45.00 and \$147.00 a week, depending on the individual's economic responsibilities.

**Canada Student Loans Act.** Full-time students may borrow up to \$1,800 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 pro-