

*Supply—Finance*

**Mr. McIlraith:** I have one question I would like to ask the Minister of Finance. It is most appropriate to be asked here. It arises out of a sentence in the throne speech and I will read the sentence. The part I want to quote is this:

My government will request your approval of its participation in a contributory plan to provide medical benefits for civil servants pursuant to recommendations of the national joint council of the public service.

Will the minister explain what, if anything, has transpired on that subject and what the position is at the moment?

**Mr. Fleming (Eglinton):** Mr. Chairman, that relates to an item in the supplementary estimates, No. 513. There is an item there of \$3,500,000 for the purpose. Perhaps the hon. gentleman would prefer to wait and deal with it when we reach that item.

**Mr. McIlraith:** I do not want to elaborate on it. Is item 513 the answer to what was intended by that paragraph in the throne speech? That is really my question.

**Mr. Fleming (Eglinton):** Yes, Mr. Chairman.

**Mr. Benidickson:** The minister will note that he has an item there for interest on the public debt. We all know that that would be an estimate made last November or December. We also know that since then the cost of borrowing money has increased very substantially. Does the minister anticipate he will require a supplementary estimate in connection with this matter?

**Mr. Fleming (Eglinton):** The hon. member has inquired about a statutory item at the bottom of page 22 of the book of estimates. There is really nothing I can usefully say to him on this subject. This is the best estimate and no one can predict precisely what will be the course of interest rates at any measurable projection into the future.

Item agreed to.

**University grants—**

124. Payments to the national conference of Canadian universities (hereinafter called the "conference"), in accordance with the agreement entered into between the conference and the Minister of Finance on the 19th day of November, 1958, (hereinafter called the "original agreement") pursuant to vote 541 of the Appropriation Act No. 1, 1957, and vote 669 of the Appropriation Act No. 5, 1958; and when a new corporation comes into existence (incorporated for the purpose of receiving and disbursing such payments to institutions of higher learning) to authorize the payments to be made thereto, in lieu of to the conference, in accordance with an agreement to be entered into, with the approval of the governor in council, by the Minister of Finance with the conference and the new corporation, such agreement to provide, in addition to

terms and conditions similar to the terms and conditions in the original agreement, including a provision that any amount payable to an institution of higher learning and not paid by the corporation in the relevant fiscal year may be retained by the corporation until such time as the institution to which the money is payable claims the payment from the corporation or parliament provides otherwise for the disposal thereof, for the transfer of amounts in the possession of the conference to the new corporation and for termination of the original agreement, \$26,221,500.

**Mr. Fleming (Eglinton):** On item 124 I should like to say something in reply to the observations on this point offered to the committee a few moments ago by the hon. member for Laurier. No one will question that this is an important matter and that it does present some problems. I propose to say something very frankly in regard to them.

First let me say, Mr. Chairman, that I think the hon. member for Laurier was drawing a long bow when he tried to make an argument out of a reference to an expression used in a table in the budget speech. If he will look at page 2410 of the budget speech, and this is the subject of his earlier reference, he will see that the matter of university grants was one of two subjects listed under the heading, "Payments for the Benefit of Provincial Institutions". Under that heading there are payments of two natures referred to; first, university grants, and, second, grants to municipalities in lieu of taxes on federal government property.

I do not think it is going to be argued seriously by any member of the house that universities and municipalities are not in this sense provincial institutions—

**Mr. Pickersgill:** They are nothing of the kind.

**Mr. Fleming (Eglinton):**—because they are created under provincial legislation. Every university that I know of in Canada is subject to provincial jurisdiction. There is no such thing as a university created by federal authority, and the same applies to municipalities.

Therefore, Mr. Chairman, it is made quite clear that these were referred to as provincial institutions, and I think hon. members will conclude that the hon. member for Laurier was drawing a very long bow when he suggested that this reference to universities as provincial institutions connoted some thought of making federal contributions to the cost of primary and secondary education. Nothing could be further from the truth. Nothing could be further from the intention of the government.

**Mr. Chevrier:** May I ask the minister a question? Why then in his table on page