

*Supply—Finance*

spend large sums of money in scientific research which is useful on a national basis and serves Canadian commerce and industry.

This, of course, is a very sound observation. But then, the hon. member went on to say that the present federal grants—which I want to underline are unconditional—were “an encroachment on provincial rights in matters of education”. And he added: “As direct statutory grants to universities, they are not acceptable to Quebec”. But he also said “that if federal grants were earmarked solely for research and the construction of laboratories they probably would be acceptable to Quebec on that basis”.

This is a most curious and inconsistent position to take. The hon. member says: If federal grants to universities are unconditional, if universities can use that money in any way they like, including research facilities, then they are unconstitutional and unacceptable; but if such grants were conditional, if there were some strings attached or, in other words, if the federal government were restricting the freedom of universities in this respect and allowing them to use the money only for research purposes, then university grants would be acceptable. I admit that I cannot see the logic of that position and I say that this is a dangerous position to take. Perhaps the hon. member is so used to university grants distributed on an arbitrary basis in Quebec by the present provincial government that he would like the federal government to follow the same policy.

As far as I am concerned, I cannot accept that position and I want university grants to remain unconditional. At present Canadian universities are completely free to use that money as they see fit. They may include those grants in their general budget or use them only to finance capital expenditures or research activities. They accept the money this year and refuse it next year. They can also ask for only part of the amounts to which they are entitled each year or which have been accumulated and kept in trust for them by the national conference of Canadian universities. That complete freedom of universities must be preserved at all cost and any scheme involving restricting conditions should be rejected.

We must recognize, however, that the present formula still creates difficulties even if it guarantees the complete freedom of universities. Some people in Quebec are still afraid that it might create in the future an unfair situation for Quebec universities which are in a minority position within the national conference of Canadian universities. Personally, I do not share those fears and I am not alone in showing that confidence and

optimism. However, in an attempt to overcome those fears and current difficulties, the Minister of Finance should announce his willingness to modify the present formula in one respect.

According to the agreement between the Minister of Finance and the national conference of Canadian universities, the Department of Finance gives each year to the national conference the total amount of the grants, that is \$1.50 multiplied by the Canadian population for that year. From then on, the national conference distributes the grants directly to each university according to a simple arithmetical formula specified in the agreement.

My proposal would be to include in the present arrangement a new provision enabling the national conference of Canadian universities, when requested, to transfer the total grant due in a province to a provincial conference of universities which would then assume the responsibility of allocating that grant to each individual university or college on the basis of enrolment. Such a proposal would not materially disrupt the present system of university grants. On the other hand, it would enable universities in a province such as Quebec to form a group of their own and to have thereby an immediate and complete control over the distribution of grants to each university.

I believe that this proposal has some merit and that the minister should declare his willingness to accept it, if universities in any particular province express their preference for that method of distributing the grants. The implementation of that proposal would be very simple indeed because only a slight modification of the existing agreement between the minister and the national conference of Canadian universities would be needed.

I hope that the minister, in his reply, will express his views on that simple proposal which could perhaps solve an important issue. I trust that the minister will accept this proposal in the spirit in which it is offered and that he will feel that it is offered with but one aim in mind, the solution of a problem which is causing, if not injustice, certainly grave difficulties in one of the provinces of confederation. In the light of what I have said I ask the minister to give it his careful consideration.

**Mr. Fisher:** Mr. Chairman, the issue raised by the hon. member for Laurier is a very important one.

**Mr. Fleming (Eglinton):** Mr. Chairman, might I ask the hon. member to defer his remarks on this subject to item No. 124