

*Dominion-Provincial Relations*

I have already put on the record during the discussion of the resolution. Neither was there any announcement made or agreement reached, as stated by the premier of the province of Quebec in his letter.

The premier of Quebec on two occasions, I said, made it quite clear that no agreement and no understanding had been reached between his government and the federal government. Here I should like to put on record a statement appearing in *Le Devoir* of May 9, 1960, which can be found at page 6 and which reads as follows:

(Translation):

Mr. Barrette said that there was never any question of an agreement with Ottawa, but a decision taken by an autonomous government to settle a thorny problem. Thus, by proudly expressing our will, we finally succeeded in recovering for Quebec \$10 million in taxes every year, and the \$25 million lying dormant in Ottawa coffers.

We even got the federal government to admit that it will entirely vacate the field of education, thus finally winning out after years of struggle.

**Mr. Tremblay:** That is sheer nonsense.

(Text):

**Mr. Chevrier:** The statement made by the premier of Quebec, which appears in *Le Devoir* of April 20, 1960, at page 6:

(Translation):

**Mr. Johnson:** You have a good prompter.

**Mr. Chevrier:**

During last session, we passed seven measures for education. One of those acts raises from 9 to 10 per cent the tax on corporation profits and enables us to increase grants by \$10 million. We hoped that the federal government would grant an equivalent exemption to corporations, but it was never a condition and there never was any agreement. The federal government has clearly recognized the right of the provinces and we were able to collect \$10 million at no cost at all to Quebec taxpayers.

Now, listen to this:

... without entering into any agreement, and by an autonomous government.

So no agreement was entered into between the two governments.

(Text):

Therefore, the committee is entitled to know what took place at the meeting between Mr. Barrette and the Minister of Finance. In his letter which I quoted earlier Mr. Barrette said he hoped an agreement would be reached. That was before his meeting with the Minister of Finance. Now long after the meeting has taken place he says there has been no such agreement or no understanding reached with Ottawa. Hence we are entitled to know from the Minister of Finance what transpired at that meeting. Were the terms of this bill made known to the premier of the province of Quebec? What was the reaction to

[Mr. Chevrier.]

the terms? We have, of course, thus far the version given to us in this house by the Solicitor General who spoke on an earlier occasion. He told us what took place between the Quebec premier and the Minister of Finance. What he said is to be found at page 3286 of *Hansard* of April 26, 1960, and I quote:

(Translation):

A few days before his death, Mr. Duplessis stated that he would be in a position to submit, in October, a positive proposition to the ministers from Ottawa. It was the Hon. Paul Sauve who submitted that positive proposition. Federal ministers discussed it with Mr. Sauve and, at the time of his tragic death, only a few details remained to be worked out, which was done during a private interview between Mr. Antonio Barrette, Mr. Sauve's successor, and the Minister of Finance, sponsor of the bill which is now before us.

We have kept our word admirably, because Premier Barrette himself believes that this bill is consistent with the terms of Mr. Duplessis' proposal, which was submitted again by Mr. Sauve, and later by Mr. Barrette himself.

(Text):

According to the Solicitor General there was complete agreement between the Quebec premier and the Minister of Finance when they met in Quebec city and the Quebec premier accepted all the provisions of this bill. There is, therefore, a complete and direct contradiction between the Solicitor General on the one hand and Mr. Barrette on the other, and we on this side of the house, although we are entitled to know what the position is, do not know which of the two interpretations to accept. If we accept the interpretation given by the Solicitor General, who by the way was not at the meeting in Quebec, then it means that the Quebec premier has accepted the provision that the arrangements the province would make with the universities would have to be satisfactory in the opinion of the minister, as set out in this clause. I cannot believe for one moment that the premier of the province of Quebec, who poses as a great champion of provincial autonomy, has accepted this condition. It also means, if we accept the version of the Solicitor General, that the Quebec premier has accepted to become bound by the definitions to which I referred earlier of a university student, university level and university degree as determined by the Minister of Finance in his agreement with the Canadian universities foundation. Here again I cannot believe that the Quebec premier has accepted this condition, which is a serious limitation upon the sovereign right of the province guaranteed under our constitution.

Again, if we accept the Solicitor General's interpretation, it means that Mr. Barrette has accepted that a share of the provincial revenues would be deducted by the federal