

Dominion-Provincial Relations

It is true, on the other hand, that the Prime Minister in the correspondence made it quite clear that the excess of the provincial tax over the \$1.50 per capita would be deducted from equalization payments or any other payments due to the province. The premier of Quebec did not accept that condition at any stage in the exchange of correspondence which I should like to put on *Hansard*.

Mr. Fleming (Eglinton): Mr. Chairman, on a point of order, it is quite obvious that the hon. gentleman is doing the same thing as he did last night. He is proceeding now to discuss the provisions of clause 2 of the bill. The point the hon. gentleman is raising now is related to the provisions of clause 2 of the bill. It has nothing to do with clause 1.

Mr. Chevrier: Mr. Chairman, the only point I wish to make is that in view of your ruling it has been decided, I think, that there can be a general discussion. What I am dealing with is a general discussion of the clause but I have gone a step further and have said that clause 1 incorporates clause 2 when there is reference in the latter part of it to a province described in subparagraph (ii) of paragraph (b) of subsection (1) of section 9A. Therefore it is not possible to discuss this clause intelligently without reference to section 9A. I therefore submit with deference that on both counts—on the count that you yourself found there should not be prevented a general discussion of the clauses and on the count of the reference I have made to the special clause which I am not going to discuss in detail—I should be allowed to proceed.

The Chairman: I will allow the hon. member to continue for the time being. I must warn him, however, that later on when we come to clause 2 if I find out that his remarks now were directed to clause 2 I will not be able to let him repeat what he is now saying. Because the hon. member said he cannot discuss clause 1 without reference to clause 2 I will allow him to proceed for the time being.

Mr. Chevrier: If Your Honour rules me out in that respect, I will have no fault to find. I now wish to place on record the correspondence that took place between the Prime Minister and the premier. However, since this correspondence has taken place the premier of Quebec has stated on two different occasions—on one occasion in Montreal and on another in Joliette—that there was no understanding or agreement between his government and the federal government about the new arrangements provided in this bill.

In a letter sent by the Prime Minister of Canada to the premier of Quebec dated February 2, 1960 here is what was said, and I quote:

My dear Prime Minister,

I appreciate the constructive suggestions contained in your letter of January 21, and believe that they provide the basis for discussions which will assure agreement on the several aspects of grants to universities.

I am glad to learn that your government agrees to the general principle for settlement of the problems and if further clarification is needed to secure agreement in detail—

I underline those words, "if further clarification is needed to secure agreement in detail". I continue:

—I feel that the best course to adopt would be to have early discussions between representatives of the two governments. If you are agreeable to such discussions I shall name the Hon. Donald M. Fleming to represent the federal government, and I await your reply as to when such a meeting can be arranged.

A reply came from the premier of Quebec under date of February 5, 1960, the second paragraph of which reads as follows:

The suggestion which you make that I should meet the Hon. Donald M. Fleming, acting as representative of the federal government, and the speed with which you have replied to my letter allow me, I presume, to anticipate that very soon you and I will be in a position to announce that the already expressed hope of a settlement regarding the grants to the universities has been realized.

I repeat:

—to announce that the already expressed hope of a settlement regarding the grants to the universities has been realized.

Having said that, I hasten to add that we all know that the meeting between Mr. Barrette and the Minister of Finance took place but nothing transpired from the discussion. I asked the minister on the orders of the day in the house to make a statement in respect to this. If the minister wishes I have the questions and answers which I could place on the record. However, the minister refused to say anything. He said on that occasion, in effect, "wait until the bill and the resolution which is already on the order paper come before parliament and you will then see for yourself what is in that piece of legislation." There evidently comes to mind the question which is raised by this correspondence: Was there an agreement in detail secured at the meeting as the Prime Minister hoped in his letter? Thus far we do not know.

One thing is certain, however, and it is this. No announcement was made in that respect either by the Prime Minister of Canada or by the premier of Quebec save and except the announcement which was made by the Prime Minister outlining the terms under which this legislation would be brought forward many months ago, a part of which