

*Dominion-Provincial Relations*

**Mr. Regier:** May I ask the minister whether there is any particular reason for having decided on the year 1962 as it appears in this clause?

**Mr. Fleming (Eglinton):** Because that is the date of conclusion of all agreements authorized by the Federal-Provincial Tax-Sharing Arrangements Act. In other words, the amendment deals with a period co-terminous with the period appointed by the main act.

**Mr. Martin (Essex East):** At the end of 1962 will the government extend the principle of equalization to the provinces?

**Mr. Fleming (Eglinton):** If by any chance my hon. friend is a member of the House of Commons when this question is decided he will certainly be made aware of it.

**Mr. Martin (Essex East):** The minister may or may not wish to reply to the question. The question was a clear one. At the end of this period or the expiry of it will the present government, if in office—something of which I am extremely doubtful—extend the principle of equalization or is the principle of equalization to be extended to the provinces only for a limited period as previously stated by the Minister of Finance?

**Mr. Fleming (Eglinton):** That, of course, will depend upon the will of parliament.

**Mr. Martin (Essex East):** Oh, oh. From what the minister said I take it that this government, so far as the Minister of Finance is concerned, does not wish at this time to state whether or not the principle of equalization will be extended beyond the two-year period. That is the only legitimate interpretation that can be made of the remarks, ambiguous as they are, of the Minister of Finance.

**Mr. Fleming (Eglinton):** It is difficult to restrain one's mirth after such a harangue from the hon. member for Essex East.

**Mr. Martin (Essex East):** That is the situation.

**Mr. Fleming (Eglinton):** Oh, no. The hon. member for Essex East is seeking to impose his interpretation on the committee. I must dissent from his attempt to impose his interpretation on me. I want to make that point very clear.

**Mr. Martin (Essex East):** But that is the situation.

**Mr. Fleming (Eglinton):** I will say to the hon. member for Essex East, as I have said in the chamber on a previous occasion, which he no doubt has forgotten, that the present government has nothing whatever to

learn from its predecessor about rendering effective assistance to provinces whose fiscal positions require it.

**Mr. Regier:** I should like to thank the minister for his answer previously. He said the reason for the date of March 31, 1962 is that it coincides with the date when other existing agreements under the Federal-Provincial Tax-Sharing Arrangements Act expire. I should like to ask the minister this question. Is it the intention of the government, in making these two dates coincide, that after March 31, 1962 extraordinary arrangements will no longer be made with regard to federal aid for our universities as such?

**Mr. Fleming (Eglinton):** No inference should be drawn in that regard. Announcement has already been made of the calling of a plenary dominion-provincial conference for July 25, 26 and 27 next, at which there will be discussion of what shall be the fiscal relations between the federal and provincial levels of government after March 31, 1962.

**Mr. Regier:** I should like to ask the minister this question. In making new arrangements with the provinces for tax-sharing agreements is it the intention of the federal government to move out of the specific field of federal aid toward universities?

**Mr. Fleming (Eglinton):** I have already said that no inference should be drawn of the kind the hon. gentleman is proposing to draw. I have given the reason. We are now past the section dealing with university grants entirely. We are on clause 3 of the bill which deals with the increase from 10 per cent to 13 per cent in the provincial share of the yield from the personal income tax.

**Mr. Regier:** I will ask only one more question. Is it the policy of the government, of which the minister is the Minister of Finance, that there shall continue to be federal aid to the universities of Canada?

**Mr. Fleming (Eglinton):** This bill makes provision for the continuance of the aid to universities to March 31, 1962. It puts that aid on a statutory basis. Never before has it been on that basis. It makes provision this time two years in advance, something which has never been done before. Previously this aid had always simply been on the basis of an annual vote, an item in the estimates. Under the provisions of this bill aid to the universities is assured for a longer period and on a surer basis than has ever been known previously.

Clause agreed to.

Title agreed to.

Bill reported.

[Mr. Fleming (Eglinton).]