

*Supply—Finance*

**Mr. Fleming (Eglinton):** Item 124 contains its own formula, that is to say, distribution at the first stage among the provinces on the basis of population and then, second, within the provinces on the basis of registration at institutions which qualify. There is not any modification that has been developed yet that seems to meet the need or to supply a solution. Therefore I have said that while there is no modification proposed in this item at the present time or no amendment nevertheless parliament still reserves its jurisdiction over the subject.

These sums are paid over to and held by what was formerly known as the national conference of Canadian universities but is now the Canadian Universities Foundation as trustees. Then as to those amounts that are not claimed by or accepted by the institutions which qualify, they are held by the trustee subject to the directions of parliament. Therefore, parliament still retains control obviously over any unclaimed balance and that unclaimed balance will, if there is no change in attitude, rise this year. That is why I have emphasized the fact that I think that is a situation to which parliament can no longer close its eyes. I repeat my own assurance that that is a situation to which I personally am giving the best study of which I am capable.

**Mr. Chevrier:** May I ask this final question? The minister did not seem to view too sympathetically the suggestion I made in connection with the modification of the arrangement made between the Minister of Finance and the national conference of Canadian universities which was that the money be made payable to the provincial conference of universities. If that modification were acceptable to the universities of the province of Quebec would the minister then be disposed to accept it?

**Mr. Fleming (Eglinton):** We may be proceeding on a hypothetical basis here, but I indicated that from what I know of the attitude of the province of Quebec, the suggestion that the hon. gentleman put forward would not, as I understand the view in Quebec, be an acceptable solution. I pointed to what happened back in the early days of these grants when there was a dominion-provincial board that made the allocations within the province of Quebec. But here, Mr. Chairman, for the full understanding of the attitude of the province of Quebec, I think one must also have regard to the source of the money. Here the view is taken by Quebec that money that is intended for educational purposes should be raised by the province. Here is a problem of very serious difficulty. That is why, as I presently understand the

[Mr. Chevrier.]

situation, I am very doubtful whether the suggestion put forward by the hon. member will provide an acceptable solution in the province of Quebec.

**Mr. Chevrier:** Does the minister's answer mean that even if the universities were willing to accept such a modification of the formula as between him and them, he would still not be prepared to amend it in accordance with the suggestion which was made?

**Mr. Fleming (Eglinton):** I have learned long since—the same as did my hon. friend—not to attempt to give answers to hypothetical questions. I am afraid that at the moment we have gone as far on this subject as we can go because what my hon. friend is putting to me is so clearly a hypothetical question that, frankly, I would not wish to be drawn into an answer on it. We have had no indication at all that the proposal he is making would provide a solution acceptable in Quebec.

**Mr. Benidickson:** In this context I wonder whether I could ask the minister, as chairman of the treasury board, whether or not he could report to this house any developments in connection with a proposal that was made by our late lamented secretary of state for external affairs, Hon. Sidney Smith, with regard to scholarships. I calculated that this proposal would probably involve \$25 million. The proposal came after a suggestion made by the Leader of the Opposition in the same election campaign. I wonder, having regard to our discussion, he thinks there are involved constitutional difficulties similar to those we have been discussing.

**Mr. Fleming (Eglinton):** I am not aware of any such question being before treasury board, that is to say any question of federal scholarships to university students. I am, of course, aware that through the Department of Labour there are some provisions made for joint dominion-provincial scholarships. Of course they have been in effect for some years. The federal government has made contributions for some years to them. But apart from them, no project of the kind the hon. member described, of which I am aware, has been before the treasury board.

**Mr. Benidickson:** The minister is, of course, familiar with the constitutional position of cabinet solidarity. The late secretary of state for external affairs in the last election campaign advanced a proposal for a large increase in scholarships contributed to by the federal treasury. As I say, that proposal came after a similar proposal from the