

Inquiries of the Ministry

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I have not seen the statement made by the premier of Ontario; therefore I have had no opportunity to consider its implications.

Mr. Fulton: May I ask the Prime Minister a supplementary question. I would ask the Prime Minister whether, in view of the importance of the position which seems to have been suggested by the premier of Ontario, he does not feel he owes it to this house and the provinces to clarify the position of the government on this matter in order that the provinces may proceed intelligently with their plans even though the federal government may not wish to plan intelligently?

EDUCATION**QUEBEC—ARRANGEMENTS RESPECTING FEDERAL GRANTS**

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister this question. Is he in agreement with the statement made by Premier Lesage to the effect that the \$17,300,000 payable under the education plan to the province of Quebec will be used by that province as it chooses, and may be used for the building of roads if it so chooses?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the grant is exactly the same in so far as use is concerned as that which was made to the province of Quebec by the previous government, when it gave a grant of \$2 per capita.

Some hon. Members: Hear, hear.

Mr. Pearson: The previous grant, as I indicated the other day, amounted to a percentage abatement of the corporate income tax of 1 percentage point, which was designed to produce revenue equal to the provincial share of the university grants. The agreement was made with the intent of assisting the province in its support of universities, but of course revenues derived by the province from the tax abatement lose their identity in general provincial revenues and could not be related directly to such provision as the province has made for universities. In that sense the abatement has the same effect as the grant that was made in the form of a cash grant.

Mr. Diefenbaker: Mr. Speaker, I still have not received an answer, because I point out that on Friday, as reported at page 1069 of

Hansard, when I asked the question the Prime Minister said:

—there is a change, but I do not consider it as a matter involving victory or defeat. There is a change from the arrangements made when the right hon. gentleman was head of the government.

He went on to say what the change was. I ask the Prime Minister this, and it is very simple; words like those used are too general. Can the Lesage government use the \$17,300,000 for any purpose it desires outside of education?

Mr. Pearson: It can deal with the cash grant exactly as it could have dealt with the abatement on corporation tax. The grant was made by this government, as it was made by the previous government, to the government of Quebec for education.

Some hon. members: Hear, hear.

Mr. Speaker: Order, please.

Mr. Diefenbaker: There is a change.

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker, I seem to have difficulty getting an intelligent answer.

Some hon. Members: Sit down.

Mr. Speaker: May I suggest to the right hon. Leader of the Opposition that the question he asked today is substantially the same as the question he asked last Friday. The right hon. Prime Minister has replied to the question and I suggest we should go on to another subject matter.

Mr. Diefenbaker: The Lesage interpretation stands, then.

[Later:]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister based on the question asked previously. Can the Prime Minister indicate whether the payment of \$17 million to the province of Quebec will be subject to the scrutiny of the Auditor General, to make sure it is used for the purposes for which it was intended?

Mr. Pearson: Mr. Speaker, I am sure the Auditor General will be very interested in every federal payment of any amount to any province.

Mr. Nielsen: Well, is it going to be done?

[Translation]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister.