

*Oral Questions***ORAL QUESTION PERIOD**

[English]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

PRIME MINISTER'S DISCUSSION WITH PREMIER OF MANITOBA

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. He will be aware by now of the very deep sense of outrage that is occurring in Manitoba over the indiscretions, or gifts, as the Secretary of State for External Affairs calls them, that have been perpetrated by the Minister of Finance, along with the apparent deception and sense of injustice that appear to be applied to that province.

In the spirit of trying to clear the air and provide some rebuilding of this breach of trust and confidence, would the Prime Minister tell us whether he has responded to the Premier of Manitoba and invited him to come and meet with him to discuss the transfer payment problem and other economic injuries facing the province?

As a further step in that reconciliation, would he agree that the background papers that provide the rationale and evidence used by the Department of Finance to advance certain policies, should be made public and therefore tabled in the House and made available to the provinces?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the deep sense of outrage to which my hon. friend makes reference was not apparent in the very civilized and productive conversation I had with Premier Pawley earlier today. We discussed at great length matters of importance to the Government and the people of Manitoba.

Indeed, my hon. friend is quite right. We did spend some time on the question of the injustice to which he refers, an injustice that I hope we will be able to deal with, one which, as my hon. friend knows, was the result of a unilateral cut-back by a Government of which he was a member.

Mr. Axworthy: Without debating the merits of that, since we discussed it fully yesterday, he knows there was a review under way.

REQUEST THAT DEPARTMENTAL DOCUMENTS BE TABLED

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, in light of the quote that I read from the Prime Minister's book entitled *Where I Stand*, which is available at all retail book counters, incidentally, recommending that the Department of Finance make such matters available, is he prepared to table those documents and background papers? Is he also prepared to table the letter that he sent to the Minister of Science and Technology in which he said there should not be any review of the cut-backs affecting that province?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, inasmuch as the documents have apparently become

public—even though they ought not to have—I will review those questions with my friend, the Minister of Finance, when he returns at 4.30 this afternoon.

The Minister is absent. He is making a speech in Toronto, and he is not using notes.

Some Hon. Members: Oh, oh!

Mr. Axworthy: I should ask the Prime Minister if that omission and ban also includes tapes, considering other indiscretions.

QUESTION OF PRESS ETHICS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Prime Minister made the comment in the House yesterday that the reports of the Minister of Finance were pilfered. He essentially called into question the ethics of the press person. Now that he has had the opportunity to check the record, and recognizing that the press person in question was only living up to the standards for open communication by the Government, which the Prime Minister has called for, is he prepared to apologize for that remark and begin to repair the breach of trust he has with members of the media?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if I have offended anyone, including the Hon. Member, I apologize.

[Translation]

EQUALIZATION PAYMENTS FORMULA—POSSIBLE LOSSES FOR QUEBEC AND NOVA SCOTIA

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

Because of that indiscretion, the Winnipeg press was able to announce a few days ago that the Province of Manitoba may stand to lose \$72 million if the guarantee formula for equalization payments to the provinces is dropped. Could the Prime Minister inform the House what amounts are involved in this formula and thus what Quebec and Nova Scotia may stand to lose in 1985-86?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): The Hon. Member is referring to dropping the guarantee formula for equalization payments. If I am not mistaken, that refers to the radical change in policy implemented by the former Liberal Government. It led to the problem that now exists between the Government of Manitoba and the Canadian Government. The Hon. Minister of Finance is now, as I myself tried to do today in a conversation with Premier Pawley, proceeding with consultations in order to conclude an agreement that will satisfy the legitimate demands of Manitobans and the Government of Canada.