

*Supply**[Translation]*

—and had this to say about what our distinguished Minister of Finance said, and again I quote:

[English]

The federal Finance Minister got it right.

[Translation]

Mr. Speaker, while I am not a regular reader of that excellent newspaper, would it be that the editor himself is also wrong, that he also thinks that the federal Government's intention, as mentioned by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), while thus supporting the highly worthwhile nature of extra equalization payments, or would there still be confusion in the mind of Manitoba's Premier, in the mind of the Manitoba newspaper editor, or again in the minds of the very large majority of Members in this House who wholeheartedly approved the Bill on additional equalization payments a few weeks ago? Or would it be more likely that such blatant confusion would rather lie in the clustered mind of the sponsor of that dismal motion? It goes without saying that I entertain doubts as to the seriousness of that motion as put forward.

Mr. Speaker, the sponsor of that motion has shown his personal lack of understanding, even his party's lack of understanding of the inherent complexity of social policies. Without any reference to his own concept or that of his party, Members of this valiant Government team fully realize that notwithstanding the essence and importance of equalization programs, these transitional measures and their additional adjustment measures have never been, are not and will never be indirect instruments of economic development.

Let us therefore recall, to clarify the nebulous and esoteric points made by the Hon. Member for Winnipeg-Fort Garry, a few functions related to that equalization. Certainly this will help understand the facts.

Again I beg for your patience while I state once more that basic principle underlying equalization programs and their possible adjustments. The aim is to make sure that all Canadians have access to quality public services reasonably equivalent under reasonably comparable taxation measures. This essential definition was originally recognized and confirmed in successive equalization programs and the implementation of temporary programs. It was also largely complied with when the Minister of Finance (Mr. Wilson) set the additional equalization payments provided in Bill C-39.

Moreover, Mr. Speaker, an additional lump sum adjustment was considered necessary by this government to correct a situation entirely created by a defective legislation passed under the previous government in 1982. Since the supplementary voluntary payment has been decided on a moral basis by the present government as a result of substantial changes in the assessment of basic criteria of the temporary formula, namely the changes in growth rate, the energy crisis, the

fluctuations of inflation, it has been clearly established that the temporary steps as well as the original formula had become inadequate. The setting up of a new and complex equalization formula will be discussed later when the government will have heard and exchanged views with all those concerned in the consultation process which will soon begin in order to come to an agreement on March 31, 1987. The bill will then be debated in the House of Commons.

Let us remind the essence of Bill C-39 so that members of this House may be aware of the decisive reasons and the courageous measures undertaken by our Government to make sure that all Canadians enjoy a fair treatment within the Canadian confederation.

Since the great change which occurred on September 4 last, the very responsible Government which we represent as well as possible has been deeply concerned about the severe reduction of equalization payments, especially to some provinces. This drastic reduction was the result of the transitional measures spread out over three years which guaranteed adjusted payments on the basis of a shaky program extended through the use of a financial crutch to alleviate somewhat the expected catch-up necessary by the projected evolution of financial conditions in a given period in 1982. Indeed, these transitional measures had been developed by the administration of which the mover of this motion, which is at the very least paradoxical, was a member.

As they say in English, it is the pot calling the kettle black. If I may suggest a very free interpretation of this saying, another way to put it would be that people in stone houses should not throw stones.

● (1520)

An Hon. Member: In glass houses.

Mr. Lanthier: People in glass houses should not throw stones. I stand corrected. This new Government of change, in a spirit of fair play and equity, in spite of the serious deficit unfortunately inherited from the previous Government and the mover of today's motion, obviously realized that it had a moral duty to provide additional assistance under the other existing programs, even though it had absolutely no legal responsibility to do so.

The cheeky Member for Winnipeg-Fort Garry (Mr. Axworthy) has accused our Government of not giving high enough priority to the equalization program. Through you and with your permission, Mr. Speaker, I would like to tell him that it is precisely because our Government gives all the priority required to the equalization program and the conditions in certain provinces that we made sure to provide additional payments proportional to their functional needs and our reduced ability to pay.

Our Government therefore acted quite responsibly in a very healthy spirit of national conciliation and exemplary co-opera-