

Adjournment Debate

Members of the Conservative Party were quick to complain about members of the Liberal Party when they introduced this program. However, I think it is essential that we all know that it is the Conservative Government that is in power now, and it has the power to act. I hope that it will act quickly.

Yesterday when I asked the Minister of Finance a follow-up question on this issue he said that the Government would be acting shortly. The Government has been in power since September 4. It has had the power to act. Every day it delays makes it that much more difficult for the Governments of those four provinces to act on matters that are of concern to them.

Yesterday I mentioned that the Province of Manitoba must bring down its budget very soon. Obviously the Province of Quebec must do its planning. The Provinces of Nova Scotia and Prince Edward Island must have the ability to plan their fiscal years. We need to know from the Government what it intends to do.

● (1825)

I was very displeased and depressed when I heard the Minister of Finance yesterday say that he thought the federal Government was in a worse fiscal position than the four provinces which are affected by the equalization program. I was asking a question about four have-not provinces. The very purpose of the equalization formula, and the reason equalization is mentioned in the Constitution of Canada, is to provide money and make it possible for the provinces in the poor sections of Canada to provide services. They need money from the federal Government, and the federal Government must realize that when those provinces receives less money in the future than they receive at the present time, obviously they will not be in a position to provide the same level of services for education, health care, welfare and other services such as job creation.

It is very important that the Government act and that it act very quickly, otherwise those provinces will have to make cuts in essential services.

[Translation]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as a Quebecker, I sincerely thank the Minister of Finance (Mr. Wilson) for entrusting me with the task of replying to the Hon. Member for Churchill (Mr. Murphy) who has raised a question about an important federal

program, the equalization payments. Under that program, the government unconditionally grants to the poorer provinces some funds to help them provide satisfactory services. This federal program began in 1957, some thirty years ago. Since then, it has been almost automatically extended every five years by the government of the day under fiscal arrangements with the provincial governments.

The equalization program now in effect will end on March 31, 1987 and must be extended by the government before that date. The government considers the renewing of this program a high priority and feels that it is most important to ensure that the new program will attain effectively the original aims of equalization. To this end, extensive consultations will be held within a few months with the provincial governments. Frequent meetings will be held with the representatives of the ten Canadian provinces.

Those federal-provincial meetings will be held at various levels, at the ministers' level as well as the officials' level. All provinces will have the opportunity to state their views on the type of equalization program Canada needs.

Our government will take into account such views when the time comes to make a decision on the kind of equalization legislation that should eventually be tabled in Parliament.

Moreover, those consultations and decisions will be made in a wide context including the entire range of federal transfer programs to the provinces and will confirm the necessity of preserving and even strengthening our Canadian federalism.

Our federal government will indeed help the Canadian provinces through all sorts of transfer payments, including the financing of established programs and the Canada Assistance Plan. Our Estimates for the fiscal year 1985-86, which were tabled in Parliament on February 6, provide for up to \$20 billion in cash transfer to the provinces over that period, while the total transfers, including that of income tax percentage points, will exceed \$27 billion. These are very large amounts, considering the difficult financial situation which this federal government has inherited from the previous one.

[English]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

The House adjourned at 6.30 p.m.