

deficit is large, but what did this Government do to improve that deficit situation? The first thing it did was appoint 40 Cabinet Ministers, the largest Cabinet this country has ever had, minus one, since one resigned. It announced an extra \$2 million for the Prime Minister's Office and \$50 million for new uniforms for the armed forces. These additional expenditures could have been used to eliminate the need for any cuts to our primary industries in this country. The Government could have looked at some of those areas, as well as at other areas.

We agree that we have to control the deficit. You will not get any flak from us on that issue. The question is how to control the deficit. It should not be done on the backs of Canadians who can least afford it. I want whoever is answering the question today to give the farmers some assurance that there will be some sympathy, and some common sense used in the approach that this Government takes toward the primary producers of this country so that they will not be faced with any charges whatsoever on inspection, either in agriculture or in fisheries.

**Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture):** Mr. Speaker, let me first say that I am well aware of the concerns being expressed by Prince Edward Island potato producers regarding our proposed fees. As the Hon. Member mentioned in his question, officials from our office and from our Department have met with representatives of the provincial Government and the island potato industry to discuss these proposals. On the national level, we have consulted with the Canadian Horticultural Council on how our proposals may affect their industry, including of course the potato industry.

On the whole, these meetings have been very positive. We have been very impressed with the extent to which industry shares the Government's concern over the federal deficit. There is a willingness to work together so that the agricultural sector can do its share to reduce the deficit.

This is not to say that there have not been concerns brought to our attention by the various commodity groups during this period of consultation. One of the major concerns that emerged was that we would be charging the new fees on some of last year's crops still moving through the marketing chain. This was never our intention and I can tell the Hon. Member right now that the new fees will not be applied to 1984 crops.

[*Translation*]

Of course, Mr. Speaker, it is very sad that the twenty years of great darkness we have just lived through—fortunately, they ended last September 4—have left us with such a huge deficit that we are now forced to ask all sectors of the economy to make their war effort.

Still we want to find a solution most likely to bring mutual and acceptable satisfaction to the people involved. If, in some cases, the process should take more time than expected at first, we will assume our responsibilities. What we aim to do is to come up with an acceptable solution which will help lower the deficit and with which we can live.

### *Adjournment Debate*

A few days ago, the Minister of Agriculture (Mr. Wise) announced that we would do our best to soften the impact of the measures and propositions which have been under consideration. But the Hon. Member must realize that we have to operate with a heavy deficit and that we expect to recoup \$32 million. That we will try to do while keeping damages to a minimum.

These past few days and again yesterday the Minister held a meeting with national associations to discuss the best ways to put into effect the new procedures which have been proposed.

● (1820)

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS—SIZE OF EQUALIZATION PAYMENTS. (B) REQUEST FOR CHANGES IN FORMULA

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I rise to continue a series of questions I started to ask almost as soon as the House began after the election. They have to do with the effect of the formula brought in by the previous Liberal Government regarding federal-provincial fiscal arrangements. I am speaking specifically of the equalization formula which we now know will provide less money next year than it did in the past for four provinces. These are the Provinces of Quebec, Manitoba, Nova Scotia and Prince Edward Island, four of the have-not provinces. Four of the poorer provinces of the nation will actually be receiving less money in equalization payments next year than they are receiving at the present time.

This is not a new issue. We warned the then Liberal Government in 1982 that the legislation would have the effects we are now seeing. We said that Quebec and Manitoba would be receiving less money and that we suspected that there would be other provinces in Atlantic Canada that would also suffer as a result of the Liberal Government-imposed formula for equalization.

At that time, members of the Conservative Party were in opposition. They supported us, and to support that I can quote the words of a number of them. One of them was the now Minister of State for the Canadian Wheat Board (Mr. Mayer). I will quote the words of the now Minister of Health and Welfare (Mr. Epp). He was speaking specifically of the Province of Manitoba as he is the Member of Parliament for Provencher. On March 23, 1982, he said:

—I am questioning whether any government in Manitoba has the ability to provide the service for Manitobans.

He was talking about health care and about the various essential services provided by the province. That was the position he took when he was in opposition. He went on to say:

—on this issue the members of the NDP and the Progressive Conservatives from Manitoba are united.

That was the position of the Hon. Member for Provencher when he was the health and welfare critic for the opposition Party. He is now the Minister of National Health and Welfare and money is still not being provided to the people of Manitoba, Quebec, Nova Scotia and Prince Edward Island.