

*Oral Questions*

**ORAL QUESTION PERIOD**

[*Translation*]

**FEDERAL-PROVINCIAL RELATIONS**

TRANSFER PAYMENTS TO PROVINCES—QUEBEC—GOVERNMENT POSITION

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, my question is directed to the Minister of Finance. The Conservative Government promised that federal-provincial relations would be harmonious. As far as equalization payments to the provinces are concerned, the Minister of Finance has refused to extend the transitional guarantee formula established in 1982, and on top of that, he seems unwilling to meet a commitment he made last April with respect to Quebec. My question to the Minister of Finance is as follows: When does he intend to correct this injustice and pay Quebec the \$66 million to which it is entitled for the 1985-86 financial year?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, there is no commitment to the Province of Quebec, and the Hon. Member knows that. In the legislation that was presented a year ago it was made very clear that these were *ex gratia* payments.

We used two guidelines to provide us with some direction as to what the amounts should be, but those guidelines were only guidelines. They were never part of any commitment.

[*Translation*]

INQUIRY WHEN GOVERNMENT WILL KEEP PROMISE TO QUEBEC CONCERNING BILL C-39

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, unlike what the Minister of Finance has just said, in April 1985 the Minister and the Minister of State for Finance both promised that Quebec would not receive less than 95 per cent of the equalization payments it had received the previous year—this was a firm commitment—and I therefore want to ask the Minister of Finance when he intends to meet the commitment he and his colleague, the Minister of State for Finance made in the House during consideration of Bill C-39.

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, there was absolutely no commitment. That is very, very clear. The legislation itself says that there would be a basis for arriving at that, but there is no commitment at all. The 95 per cent is not a 95 per cent commitment. The commitment on the floor level is 85 per cent for the Province of Quebec. That legislation was not touched.

[*Translation*]

PROMISE MADE TO PROVINCES—QUEBEC—GOVERNMENT POSITION

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, on April 18, 1985, the Minister of State for Finance said the following before the House:

The highest protection, the 95 per cent floor, is given to those provinces which are not as strong fiscally as others and ensures their payments will decline by no more than 5 per cent from one year to the next.

Mr. Speaker, Quebec is losing \$66 million in 1985-86, and again I want to ask the Minister of Finance when he intends to meet the commitment made in the House by the Minister of State for Finance, a commitment he himself mentioned in answer to a question from my colleague from Montreal—Sainte-Marie a few days ago.

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member is trying to stir up differences that are not there. We have made it very clear that the \$110 million that we provided to the Province of Quebec was over and above what was required by law. It was a total voluntary payment on the part of this Government to assist the Province of Quebec in a difficult period. That \$110 million was totally in excess of what was required by the law.

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[*Translation*]

**AGRICULTURE**

REQUEST FROM QUEBEC POTATO PRODUCERS' FEDERATION—GOVERNMENT POSITION

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, my question is directed to the Minister of Agriculture. Equalization is not the only area in which Quebec is treated unfairly. Agriculture is another example, now that potato producers are in a very tight financial situation and the federal Government is doing nothing to help them. I therefore want to ask the Minister whether he is prepared to immediately respond to a request from representatives for the Quebec Federation of Potato Producers who are asking him to intervene through the Farm Price Stabilization Board and pay farmers about \$1.84 per hundredweight. Otherwise, hundreds of Quebec producers will be in dire financial straits. Could the Minister give the House the assurance he will take immediate action?

● (1120)

[*English*]

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, the Hon. Member should know better. If he refers to the record he will recognize that we have dealt fairly and squarely, and equitably, with the Province of Quebec in relation to any other province.