

blame and criticize the provinces or Canadians for not controlling their spending when the government itself was unable to control its spending.

What we did, Madam Speaker, is simple. We began by cleaning our own house and, as we say back home, we began in front of the house and swept the porch. That is what we did.

We have kept the increase in our expenditures to a rate of 3.5 per cent over the past five years, and that is less than the inflation rate. By doing this we sent a very clear message to all Canadians, a message which read: "Reduce the rate of increase in your expenditures."

So, Madam Speaker, we find it difficult to accept or understand that some provinces get federal government transfers ranging from 20 to 46 per cent. When I say 20 per cent these are transfer payments which are included in provincial revenues, like 20 per cent in Ontario, 46 per cent in Newfoundland, and about 30 per cent in Quebec, if I am not mistaken.

So when the Quebec government unlocks the door on January 1, if I may put it that way, it knows for sure that close to one-third of its revenues will come through a federal cheque.

When Mr. Wells unlocks the door in St. John's on January 1, he knows exactly where nearly half of his budget will come from. He will get that income via a federal government cheque. Not bad at all.

I am not blaming anybody when I say that, Madam Speaker. Put simply, I am saying that not only the provinces but all other sectors as well, public and private alike, must take this as a signal from us. To a certain extent, Madam Speaker, we have just signaled the end of the school recess. It means we have capped our expenses at 3.5 per cent, so the provinces must reduce theirs, and the same thing goes for school boards, municipalities and Canadians generally. It is a clear signal to all Canadians, Madam Speaker.

Of course, we could analyse in detail the measures taken in the budget. Of course, we had to compromise on certain points. For example, it would probably have been unfair to penalize some provinces getting more from equalization and if we had done so, we could have been criticized for not maintaining a fair balance.

Government Orders

Madam Speaker, I think that the measures taken must be seen globally, as a whole. We wanted to ensure that the provinces which are the main beneficiaries of the equalization program continue to receive as much and we imposed on them an increase limit that is inferior to the one we imposed on richer provinces. This process has been accepted in the Canadian federation for many years and we maintained it in this budget.

Obviously, Madam Speaker, I think that the opposition amendments should be rejected because they all would just weaken or cancel the effect of this change.

The purpose of this change is to put the Canadian economy back on track, Madam Speaker. That is not easy, faced with a higher deficit, if we want to help Canadians maintain, as I said earlier, a standard of living and social and economic measures so that they can continue to prosper. Despite the fears raised by the crises we are going through in Canada, I continue to believe that Canada is still a relatively prosperous country by world standards, notwithstanding some well-known difficulties.

In conclusion, Madam Speaker, since I think I have already gone a little beyond my allotted time, I would say that it is important for both the opposition and Canadians to support the measures we have taken. These measures simply ask Canadians to restrain their spending so that we can maintain the rate of prosperity we had over the past six years. The worst that could happen would be to find ourselves again in the spending-inflation spiral we had in the early 1980s. No one in this House would want to relive that period—as many, I would even say most, opposition members admit. The only thing is that they do not want to take action, difficult though it may be, to help the government get there.

• (1540)

So, Madam Speaker, I urge this House to support the bill as it was presented because I believe that it is good for Canadians.

Madam Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Gatineau—La Lièvre—the Environment; the hon. member for Cape Breton—East Richmond—the Scotia Synfuels projet; the hon. member for Moose Jaw—Lake Centre—Agriculture.