

the future. In looking at the estimated equalization entitlements over the next five years, I see a projected increase from \$8 billion in 1993-94 to approximately \$10.4 billion in 1998-99. This represents an average growth of approximately 5 per cent.

Looking at my own province I see it is estimated that Prince Edward Island's entitlement is projected to increase by some \$16 million in the next fiscal year and in increments of \$10 million per year for each of the following years until the end of the agreement.

The equalization program allows people in all regions of the country to enjoy roughly an equal level of service from our governments at reasonably equal levels of taxation. Looking back through history it is easy to see the historical precedents for making things equal across the country.

This country, Canada, was brought together by the railway in defiance of economic and geographic factors which would have pulled us toward the United States. However, because the Fathers of Confederation felt it was important to establish an east-west axis in the country, great efforts were made to make the colonies unified from sea to sea by the railroad.

That same philosophy applies to equalization. Canadians are united by a common level of service no matter where they live. The richer give part of their wealth to aid the poorer. If and when the economic patterns of the nation change, those areas which now receive these transfers would only be too happy to share their good fortune.

Tariffs which were designed to protect industries in central Canada were an accepted part of the economic policies of the country and were of great benefit to Ontario. Preferential freight rates were of great assistance to the farmers of the Canadian prairies. Even projects like the St. Lawrence seaway are examples of the whole of Canada participating in programs which benefit one particular region.

In the years since Confederation prosperity has moved from one part of Canada to the other. Canadians have responded to the changes by aiding and assisting those areas which are down on their luck.

At the time of Confederation my region of Canada was the most prosperous. Later prosperity moved west, first to Ontario and then to the western provinces. The western provinces which suffered the worst in the great depression came to a time of great prosperity in the seventies and eighties. Now Atlantic Canada is the poorest region of Canada and we receive help from our fellow citizens.

When we examine the documents released by the Minister of Finance we can see that Newfoundland, Prince Edward Island, New Brunswick and Nova Scotia in that order are the highest per capita recipients of equalization. The last few years have not been good in Atlantic Canada. We have suffered through the lengthy recession like the rest of the country. Now we are faced

with the collapse of the ground fishery which was once part of our economic salvation.

We all realize things are tough but we are optimistic that better days lie ahead. I can assure hon. members that we in Atlantic Canada are not terminal welfare cases. We are proud Canadians who through a combination of factors need this assistance at the present time. I would venture to say there is not one politician in Atlantic Canada today who would not willingly see funds from our region go forward to help poorer regions of the country if and when the economic basis were to change.

• (1205)

Right across the region governments are cutting back becoming leaner and more efficient. People are being encouraged to generate more economic activity. We must and we will develop the resources we have in Atlantic Canada and we will return to the prosperity we once enjoyed. What we need now is the level and stable assistance of the federal government to get us through these tough times.

I must also say that we are living in a time of increasing optimism in my province. The fixed link project, the biggest construction project in Canada today, is bringing a new wave of confidence into Prince Edward Island and New Brunswick, a confidence which our people will carry forward into the next century. I look forward to the day not many years from now when people from all over the world flock to Atlantic Canada to see this engineering wonder and when Atlantic Canadians who have constructed this massive project are in demand for similar projects around the world.

The equalization program marks our compassion as a nation. Because of equalization no citizen of Canada is a second class citizen regardless of where they live. The citizens of Cape Race, Newfoundland, of York, P.E.I., of Montmagny, Quebec, of Watrous, Saskatchewan and of Vancouver, B.C. are all entitled to roughly the same level of service in the government. That is the essence of Canada. That is why this country remains united.

As I noted earlier, that is why we have equalization, the levelling of service, just another manifestation of the Canadian way of doing things.

**Hon. Roger Simmons (Burin—St. George's):** Mr. Speaker, I too have a few words to say on Bill C-3. I am rather pleased with the provisions of the bill. It does introduce a bit more certainty into the process of federal-provincial fiscal relations and avoids the excessive tax backs that have become not only an aggravation but such a big problem in real terms for several provincial governments, including the Government of Newfoundland and Labrador

I share at least what my friend from Calgary West was saying in so far as that issue is concerned. There are other things I do not particularly share, but he is not in sight at the moment so at another time I am sure we will have an opportunity to pursue that