

Government Orders

Quebec has had in terms of research and development, federal purchases of goods and services, transportation and agriculture in the past 30 years. Do not tell me that when it comes to agriculture, the three prairie provinces, with payments of about \$1.5 billion a year since 1986, in addition to regular programs, are not favoured provinces in the Canadian Confederation.

• (1155)

Before throwing figures around left and right, I would ask for a real debate in this House on the federal government's contribution to Quebec, if they want such a debate, and I will be pleased to answer all their pernicious arguments.

[English]

Mr. Harper (Calgary West): Mr. Speaker, I certainly appreciate the question.

The point I was trying to make was not that other provinces do not receive payments. I was not even suggesting that Quebec receives too much. I was merely suggesting that an \$8.4 billion program, of which \$3.7 billion is going to the province of Quebec, is not something to sneeze at. It is not a drop in the bucket. It is not something to deny the importance of. The thrust of the member's remarks, as I heard it, was to dispute the workings of the ceiling that has been in effect more or less since 1982 and about how much had been lost through the ceiling.

It was the intention of the member to give to members of the House, other Canadians and Quebecers who may be watching the impression that they are not getting anything out of this program or that they are experiencing tremendous losses from this program, none of which is the case.

Our party is suggesting that we make major reductions in spending and is willing to look at all these categories and at the impact on our region as well as Quebec and Ontario. This is an important exercise and is why I suggest we have this open debate.

However, it is important because the time is going to come when these things have to be looked at realistically. We have studied with some comprehensiveness the overall workings of the federal finances for various provinces over the period of the last generation, and we know the kind of negative effect it has had on our particular province.

Let me just mention equalization, for example. Alberta received no equalization at the height of its recession in the early 1980s, a recession brought about largely by federal government policy. Albertans have never quarrelled with the concept of sharing and contributing to the pot. These things have to be addressed realistically.

It is my view and the view of many Canadians and many Quebecers that Quebec does experience some significant economic gain from its participation in Confederation. There are some problems, but there are significant economic gains in being tied to the stronger economic units of Ontario and the west.

In my view that is not the reason or the only reason to stay in Confederation, but it is a reason Quebecers are going to have to consider and the Bloc Quebecois is going to have to address realistically at some point.

Mr. George Proud (Hillsborough): Mr. Speaker, just prior to making my comments I would like to inform the House that members on this side of the House will now share their speaking time at 10 minutes each.

I rise to speak about a topic which goes to the very heart of Canadianism and it goes to the very centre of the reason for our being as a nation, the subject of equalization.

At the outset I would like to congratulate the Minister of Finance for the announcement he made in Montreal on January 21 of this year when he told the provincial and territorial finance ministers that the equalization program would be renewed for the next five years. This gives them the opportunity to realistically plan for the future while we at the same time fulfil a major campaign promise made by our party to bring about stability to federal-provincial financial relations.

• (1200)

As hon. members know the equalization program remains the most important federal program for reducing disparities in this country. After equalization transfers the fiscal capacity of the less wealthy provinces is raised to about 93 per cent of the national average compared to about 85 per cent before equalization. This means that any province which levies average rates of taxation will be assured about \$4,800 per capita with which to finance public services.

As hon. members also know equalization is an unconditional transfer to the provinces. The payments under the program are determined by an established formula which calculates each province's capacity to raise revenues and then compares its fiscal capacity to a standard level. The payments then raise the less wealthy provinces to the standard level and the payments are made in per capita terms.

As a person who comes from one of the smallest and one of the poorest provinces in Canada, I can assure hon. members how important equalization payments are to our province. I can also assure hon. members how upsetting it was for our provincial government on those occasions when it received less in equalization than had been anticipated.

This five-year equalization renewal will allow our smaller and poorer provinces to provide consistent levels of service in