

In his remarks he made reference to a glitch in the calculation of the equalization payments and the Established Programs Financing resulting in a shortfall of revenue to the have-not provinces.

Could he explain what that glitch was and could he tell us how far back the shortfall went and the total amount it would have come to?

• (1340)

**Mr. Reimer:** I do not have the exact figures of the shortfall. I cannot put my hand on the exact numbers at the moment, but they will be retroactive to the have-not provinces, as I mentioned earlier. Therefore, part of the \$400 million is to bring those people retroactively back up to where they should have been. Therefore, the total sum of money of a little over \$400 million is made up in two parts. One is to solve part of that problem and the other is an additional \$200 million to the have-not provinces to try and bring this program back on stream and to assist those who may have been suffering somewhat because of the way in which this program worked in the past.

**Mr. Fisher:** That pretty well answers the question. I understand the \$200 million as making it up and the \$200 million is the 1992-93 entitlement of the provinces but the other \$200 million must represent more than one year of revenue which the provinces had not received but ordinarily would have been entitled to.

I guess we do not have an answer to how far back they were owed that money.

**Mr. Reimer:** I am sorry, I do not know how far back that goes. Just to illustrate, the tax base improvement of this \$422 million is \$212 million and the EPF equalization interaction part which would go on into the next year is \$211 million. Therefore, we have \$212 million in the tax improvement base and part of that is retroactive, and the \$211 million totalling the \$422 million.

I am sorry. We could get the figures for the member as to how far back that goes. I do not have them with me.

**Mr. Dennis Mills (Broadview—Greenwood):** Mr. Speaker, I am happy to have an opportunity to participate in the debate on this bill, an act to amend the Federal-Provincial Fiscal Arrangements and Federal

### *Government Orders*

Post-Secondary Education and Health Contributions Act.

I believe that this piece of legislation goes to the very core of what Canadians are debating in their own backyards, kitchens and coffee shops. It has to do with the arrangements going on right now between the national government and all of the provinces and the territories.

Quite frankly, I support the basic thrust of this bill because the objective of this bill is to make sure that those provinces that from time to time are less advantaged than others are supported through equalization payments so that national standards can be maintained in education and health care. To me that is really what this country is all about: a nation that can have national standards. A nation that can maintain national standards on health care and education is going to have a national will that will allow it to remain strong and vital.

The stronger we are in supporting these national standards, the more the possibility of people wanting to separate diminishes. There is so much talk going on today about whether we will we stay together.

It is important for people to understand that one of the things that has galvanized us as a country has been legislation like this that has allowed us to make sure that all regions of the country are treated the same.

Part of section 7, Tax Collection Agreements, reads:

(1) Where a province imposes taxes on the incomes of individuals or corporations, or both, the Minister, with the approval of the Governor in Council, may on behalf of the Government of Canada enter into a tax collection agreement with the government of the province pursuant to which the Government of Canada will collect the provincial taxes on behalf of the province and will make payments to the province in respect of the taxes so collected in accordance with such terms and conditions as the agreement prescribes.

I think this is something that Canadians want. The Minister of State for Finance and Privatization said earlier today in the House that this will lead toward a simplification of the tax system. Canadians are crying out for a simplification of the tax system. They are crying out for a single tax system. The paper burden not only on the personal side but on the corporate side, especially for small and medium sized business, is reaching such proportions today that people are asking if there is some political will that can organize this.