

if I did understand one word, "harmony" does not belong in their vocabulary.

To set the record straight, perhaps I could read how equalization works.

Equalization payments are determined on the basis of a formula set out in federal legislation. First, the amount of revenue that each province could raise from a typical tax base, taking into account virtually all provincial and local potential sources of revenue from taxation is calculated.

Second, each province's overall per capita capacity to raise revenues from these sources is compared to that of five provinces making up a *representative* standard. This standard is currently equal to about \$4,700 per capita.

I will not go any further. I listened with interest as my hon. colleague from Newfoundland made reference to the Magdalen Islands and the students from the Magdalen Islands. To be in opposition is one thing but to be realistic is another.

Of course, when we talk about our students, whether they come from Newfoundland or from the Magdalen Islands or the Gaspésie—

[*Translation*]

—or anywhere in Canada, Mr. Speaker, this is important, as the Prime Minister said so before in this House, because the taxpayers are always the same. Whether we are talking about municipal, provincial or federal taxes, the same person pays all three.

[*English*]

We must take that into consideration when we discuss and look at what has been proposed from now until March 31, 1994, as mentioned in the budget of the Minister of Finance.

Hollering from the opposite side, they say we have cut back. That is not true. We are jumping from 5.9 per cent in 1984–85 to 7.8 per cent in equalization payments. Being a former teacher of mathematics that represents an increase.

Equalization in 1984–85 was roughly \$5.422 billion. These figures are available to all concerned. The figure proposed for 1992–93 is \$8.56 billion. Which brings us to the point, has this government done enough? Of course, it is very difficult when you deal with personal and public finances. In order to spend and spend and spend with no limits, someone must take the heat.

At the same time, we talk about equalization payments, harmony, the GST and provincial sales tax. As members are aware, we are in the process now of

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building a unified Canada and a Constitution that will make us stronger, not weaker. We talk about have-nots and haves. My friend from Newfoundland stated earlier that we are all part of this great country because the have-nots can benefit from the haves which has been the case in the past. I hope with all due sincerity this will continue in the future.

We talk about spending dollars and the same taxpayers' dollars but we must face reality, not only when we talk about equalization payments but when we talk about every ministership in our honourable cabinet. Whether it is us as the government of the day or another government, we cannot spend frivolously. We cannot over-borrow.

Far be it for me to take the part of the opposition. If the Official Opposition had been in government perhaps our annual deficit today would be in excess of \$100 billion with all the things they suggest we do.

But the taxpayer would be outraged. They would not like that. These things are very difficult. It is very easy for the people of Newfoundland, for the people from British Columbia or for the people from my constituency to criticize. We were elected in 1984 and again in 1988 to put some kind of sense into the spending of this government. It has not been easy.

I say that \$5.4 billion to \$8.5 billion is not a loss, it is an increase. Members opposite fail to mention at the same time that our inflation rate has dropped to approximately 1.6 per cent. We were criticized for our policies but that fiscal policy has benefited the provinces.

My colleague from Ontario mentioned that Mr. Rae will not bend down to harmonize—and far be it from us in the debate on this bill to get too involved in the Constitution and Canadian harmony—but I would say that when we harmonize, when we talk about the better spending of our taxpayers' dollars, be it municipal, be it provincial or be it federal, there can only be one winner and that is the taxpayer. The final winner is our great country of Canada.

• (1700)

They talk about how devastated they are. We are devastated because we cannot afford to spend any more money. We are looking forward to the day when we have our finances in order and we can go back to the university students and the provinces, regardless of whether they have a social agenda in which they want to make everybody equal. We want to put all Canadians to work. It is the wish, the desire, the aim, and the goal of