

*Government Orders*

increase is a part of that self-imposed constraint on spending by the federal government.

The rate of increase, as I indicated, will be 5.1 per cent for 1992-93 over last year. Let us put that in perspective for both a have-not province and a have province. In comparing two provinces, Newfoundland as one example and Ontario as the other.

We look at the transfers to Newfoundland. They have grown at an average annual rate of 5.5 per cent since 1984-85. This year they are likely to exceed \$1.4 billion. That sum of money accounts for 44 per cent of Newfoundland's revenues and also represents a total of over \$2,400 this year for every person in Newfoundland. That is almost twice the national average and is the highest of any province.

That is what this transfer program means to the province of Newfoundland. As the minister indicated in his comments earlier, only the Territories receive a larger share. Newfoundland's share is 44 per cent of total revenues. In the case of the Territories, it is 80 per cent. As I indicated here, Newfoundland's is 44 per cent of total revenues and in the case of the Territories it is 80 per cent.

Let me go on to how this applies to the province of Ontario. In the case of Ontario, the transfers have grown on an average rate of 6.2 per cent since 1984-85. This year, they are expected to exceed \$9.9 billion. This total revenue in transfers accounts for over 20 per cent of total Ontario revenues. When one looks at this, over those years, this is an average increase from 1984-85 of 6.2 per cent. With the freeze that was introduced last year to the have provinces—Ontario, Alberta and British Columbia—the limit on the increase, it was not a decrease but a limit on the increase, is as follows.

On equalization, there is no annual growth rate but in the Established Programs Financing it will go up by 1 per cent according to a set formula. The Canada Assistance Plan has been frozen at a 5 per cent increase, as was announced in last year's budget. That continues this year at a freeze of 5 per cent. Therefore, the total major transfers to the province of Ontario have not been cut but they have been limited in the increase to a total of 1.9 per cent.

It is important to say that the government has not cut it but has limited the increase to the three wealthier provinces or the have provinces, as we often refer to them.

The member for Chambly was up before in response to a question of the importance of these transfers to the province of Quebec. That was a good point to be made. I am glad that the member for Broadview—Greenwood raised that point. It was an excellent point because we do not often hear it.

Let me refer to what the transfer program means to the province of Quebec in comparison to the other provinces I have just mentioned. The transfers have grown at an average annual rate of 3.8 per cent since 1984-85 to the province of Quebec. This year they are likely to total \$11 billion. That is more than that received by any other province in Canada; \$11 billion in the 1992-93 fiscal year. This will account for about 31 per cent of Quebec's total revenues. That also means that about \$1,580 on a per capital basis is going to the province of Quebec, which is close to 25 per cent higher than the national average.

These transfer payments are a vital part of the programs for all of the provinces but particularly those which are not at the national average and therefore receive additional amounts beyond those of Ontario, Alberta and British Columbia.

In conclusion, let me add that this bill provides what I think is a fair and generous renewal of the equalization program, while at the same time maintaining fiscal responsibility in the total increase in spending by the federal government within the self-imposed constraint of 3 per cent that the government has set for itself for each of the next five years.

In addition, by facilitating the mutual administration of taxes between the federal and provincial governments, the tax measures will contribute to improving and simplifying our countries tax system as a whole.

**Mr. Ron Fisher (Saskatoon—Dundurn):** Mr. Speaker, I would like to commend the previous speaker for a fine presentation of a particular point of view.