the high inflation part of it. Therefore, the actual transfer would be higher than the real cost of inflation because of past inflation. The province is going to get $650 million less than the formula would have generated, but actual costs are only going up by 4 per cent. We are going to give the provinces 5 per cent instead of 7 per cent, 8 per cent or 9 per cent which the formula would generate. This whole debate has been kind of off base, Mr. Speaker. Members have been talking about what might have been, whereas we should be looking at the actual costs that institutions are facing.

Mr. Waddell: Mr. Speaker, I am told that there has been agreement to get that money. There is a need for money and new investment. I would think the Government would want to have more money going into western Canada. I would think the Hon. Member from western Canada would want to push for that particularly. I was in Lethbridge not too long ago. I know that even that prosperous community of good people is going to suffer from the downturn in the oil economy. I would think that the Member might want to stand up and push for more money for western Canada rather than justify this Government cut-back.

[*Translation*]

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Champlain (Mr. Champagne). Resuming debate?

Mr. Michel Champagne (Champlain): Yes, Mr. Speaker. First of all, I have some regrets about letting my hon. friend from British Columbia take the floor, because I thought that of course the Hon. Member was going to vote with us on this motion and would say: At last, this Government has acted responsibly and lived up to the desire for change expressed in the federal election in September 1984. But it wasn't so bad after all, Mr. Speaker, because the Hon. Member at least admitted that the deficit had to be reduced, and that it was high time, after the last 20 years, that a Government acted responsibly. In fact, I appreciate the frankness with which the Hon. Member from Vancouver expressed his views in the House. I think his performance deserves applause Mr. Speaker, I really do.

Mr. Speaker, this is the second time I am speaking to Bill C-96 which concerns transfer payments to the provinces. Mentioning the fact may be somewhat redundant, but I felt I had to because sitting in the House today, I realized that the Opposition parties, the New Democrats and the Liberals, were trying once again to twist the facts, so much so that I heard the Hon. Member for Essex—Windsor (Mr. Langdon) talking about $67 million in equalization payments for Quebec and that the Quebec Government would have to increase corporate taxes, and that from a New Democrat, Mr. Speaker! A New Democrat who says that the Quebec Government will have to tax corporations. I said to myself: Now I've heard everything! I would like to explain to the Hon. Member that equalization payments and transfer payments are two totally different things, two economic concepts that have nothing in common except for the fact that they are both paid to the provinces. Equalization, Mr. Speaker, is based on the ability to raise taxes, while transfer payments to the provinces are money the federal Government gives for specific sectors, in this case, health and education.

• (1950)

The Hon. Member for Essex—Windsor (Mr. Langdon) was talking about a sum of $67 million which the Government of Quebec has to get back, but he is not referring to the federal government, he is indeed referring to a provincial government. There again, Mr. Speaker, the Hon. Member for Essex-Windsor is mistaken. Because we are here in the House of Commons, we are dealing with the Government of Canada, and we have to discuss the national policies put forward.

The Hon. Member for Essex—Windsor talks about a sum of $67 million. But we are talking about equalization and transfer payments of $4.091 billion for the fiscal year 1985-1986.

I heard also the Liberal member for York Centre (Mr. Kaplan) talking about election promises and the extravagant expenses the Progressive Conservative Government is allegedly making since it came to power.

Surely, Mr. Speaker, the Hon. Member for York Centre could not say things like that with a straight face. I am sure he was not aware of what he was saying, and it was showing in his remarks that the session is drawing to a close. For if he had been the least consistent, Mr. Speaker, he would have had the decency to recognize that in their last 20 years the Liberals have got this country into a $200 billion debt, that on the economic level they have created disastrous situations. Just think of the inflation rate which was varying between 12 per cent and 15 per cent during recent years. Just think of the interest rates which had risen above 20 per cent. How many Canadian families, how many Canadian contractors, how many young Canadian students had to struggle with economic difficulties because of 20 per cent interest rates? The bankruptcies we have seen over the last years, Mr. Speaker, the slowing down of the Canadian economy—

The Hon. Member for Outremont (Mrs. Pépin) was saying a few minutes ago that we were comparing ourselves to the Americans. Mr. Speaker, you know that as far as net income is concerned, I prefer to compare my situation to that of the Americans rather than that of other countries like Zimbabwe. But that is the kind of comparisons the Liberals could make when we took over in September of 1984, because they were getting the Canadian people into debt, they were creating debt burden for the next generations to pay, without any consideration for their own election campaign commitments, Mr. Speaker. Because the Liberals had been showering us with electoral promises. For example, in 1981, they promised pensions for widows and widowers from 60 to 64 years of age but they didn't follow through. It's the same thing with the long term dairy policy, Mr. Speaker, and what about the interest rates they had promised to lower in the case of the