That, further to the notice given on Tuesday, June 17, 1986, by the Minister of National Revenue and pursuant to the provisions of Standing Order 117 in relation to Bill C-96, An Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, one sitting day shall be allotted to the third reading stage of the said Bill; and

That fifteen minutes before the expiry of the time provided for the consideration of government business on the above-mentioned sitting day, any proceedings then before the House shall be interrupted, if necessary, for the purpose of this Order and, in turn, every question necessary to dispose of the said stage of the said Bill shall be put forthwith and successively, without further debate or amendment.

She said: Mr. Speaker, soon after it came to power, this Government introduced a program for economic renewal, which accompanied the economic and fiscal message of November 1984. In it the government envisaged the possibility of limiting the rate of growth of transfers to the provinces as part of a strategy to correct our fiscla situation and stabilize the state of our finances.

More than a year ago, in May 1985, the federal Government announced its decision to limit the rate of growth of transfers under Established Programs Fianacing. At the time the growth of most other categories of expenditures under federal programs had either been reduced or stopped altogether. Transfers to the provinces could not completely be insulated from the Government's efforts to reduce its deficit.

● (1530)

[*English*]

There were no secrets and no surprises.

Bill C-96 was introduced after extensive and prolonged consultations with provinces which began in November of 1984 and continued through to December of 1985. The subject of transfers was discussed with provincial finance Ministers on at least six separate occasions: November, 1984; January, 1985; May, 1985; September, 1985; November, 1985; and December, 1985. EPF was also discussed at the First Ministers Conference in Halifax in November of 1985.

As a result, the provisions of the Bill reflect these federal-provincial discussions and our desire to achieve deficit reduction in the most balanced and reasonable way possible.

The Bill was drafted in early 1986 and given first reading on February 14, 1986. Second reading began in May, and the Bill was referred to committee. The legislative committee on Bill C-96 heard from 18 groups representing a wide variety of interests: organized labour, academics and students, doctors, nurses and other health practitioners, health consumers, and so forth. The Bill was subsequently reported without amendment.

I testified before the Standing Senate Committee on National Finance in the course of its "pre-study" of Bill C-96. I tabled an explanatory paper for the information of Senators and Members of Parliament. I also testified before the House legislative committee on Bill C-96. I have responded to opposition questions and made clear the case of the Government.

This Bill has now been debated for 11 days. This Bill has been debated for 37 hours. There have been 125 Hon. Members who have spoken. *Hansard* will show that the debate is exhausted and the argumentation has become repetitious. Enough is enough.

There is always much talk about the national debt and the need to do something about it. The previous Government talked a lot about deficit reduction. In November of 1981, the Hon. Allan MacEachen, then Minister of Finance, said, "I believe we must reduce our deficit and borrowing requirements substantially". He went on to say, "Some restraint must be applied to our transfers to provinces". This Minister boldly proclaimed: "Now I have set myself the task of cutting back the deficit". As we all know, the deficit was not cut back. Government expenditure grew, and debt charges mounted. That is the situation which compelled the Canadian electorate to defeat the former Government. That is the legacy our Government was elected to rectify. Now we must act. Nothing will be gained by delay or protracted indecision. Indeed, much will be lost.

Public debt charges are growing in size and gaining in *momentum*. If this situation is not addressed, debt charges will erode our ability to sustain the vital social services Canadians now enjoy. More and more federal revenue will be eaten away by spiralling debt charges, and less and less will be available for vital social services. Ultimately, we can only provide what we can afford.

We have carefully reviewed our resources, and the provinces were involved in that discussion. We are collectively working to reduce our over-all debt load. The provinces are also concerned about the federal deficit and the obstacle it represents to continued economic growth of our entire country. Reducing this obstacle to growth benefits both levels of Government. Provinces now enjoy the benefits of Canada's strong economic performance. Provinces will continue to benefit from lower interest rates, increased employment, rising housing starts, and a growing economy.

This transfer to provinces will grow at rates which can be sustained. EPF transfers will total $90 billion over the next five years. That is $25 billion more than over the last five years. Surely this is ample evidence of the federal commitment to health care and post-secondary education. I urge Hon. Members opposite to join with us in support of a measure which both confirms the high priority given by this Government to these social services and the urgent necessity of confronting the federal deficit.

Mr. George Henderson (Egmont): Mr. Speaker, I must say at the outset that I am very astounded that the Government would use Standing Order 117, an order which places time allocation on third reading debate on this most important Bill. I noticed that the Minister of State for Finance (Mrs. McDougall) had a little problem with her voice in speaking, and maybe she needs a doctor. I think this very Bill that we are discussing this afternoon is one that will have a tremendous