

Could he explain that to us and to the people of Canada in a concrete way, so that people may understand the language of the truth, the Conservative language?

The Acting Speaker (Mr. Charest): The Hon. Member for Champlain (Mr. Champagne) very briefly—

Mr. Champagne (Champlain): Very briefly, Mr. Speaker, you know that if we took the time needed to explain, and anyway it has been explained. I believe our Ministers did that very aptly for the benefit of the Canadian people. But what I would like to remind my colleague for Charlevoix (Mr. Hamelin) of is this: During the last five years of Liberal rule, transfer payments to the provinces added up to \$65 billion.

Over the next five Conservative years, transfers will come up to \$90 billion. When they talk about cuts, I ask whether they can figure out the difference between 90 and 65. That difference is an extra \$25 billion. This is a Conservative reality. This is a reality that will prevail in each province. This is an increase, but a rational increase, a responsible increase granted by a Government that no longer wants to unduly burden the Canadian people with additional indebtedness.

• (2010)

[English]

Mr. Murray Dorin (Edmonton West): Mr. Speaker, I am pleased to have an opportunity tonight to join in when one is nearing the end of a long debate on Bill C-96, an Act to amend the Fiscal Arrangements and Federal Post-Secondary and Health Contributions Act, 1977.

The Bill itself is very short. Although it is typical bureaucratese, governmentese, legalese, five or six pages long, the concept it attempts to achieve is simple, but really quite important. This Bill seeks to reduce the rate of growth of transfer payments in the aforementioned areas consistent with the Government's broad fiscal objectives.

While the title of the Bill speaks of post-secondary education and health, the objective of the Bill is, in reality, to address something quite different. First of all, I should remind all Members of the House that the commitment to this Government to health and post-secondary education remains as strong as ever. The EPF transfers continue to represent close to half of the provincial government expenditures in these areas, and it is our commitment to the maintenance of such programs as health care and post-secondary education that has brought this Bill before us today.

I want to speak today on behalf of this Bill, present a case for it, and respond to some of the very irresponsible and, I believe, incorrect arguments that have been put forward by some Members in the Opposition. I said that this Bill is really a part of the Government's over-all fiscal plan and, I think, therefore, it is important to outline briefly how the Bill fits into that plan.

Let us consider our number one economic problem—the public debt, the root cause of high unemployment, high

interest rates and lack of Government fiscal flexibility. Some Members of the Opposition do not accept this. They suggest that we can continue to run huge deficits, borrow more and more to finance our expenditures, without considering the impact that this has on us, both now and in the future. This simply is not responsible.

The Minister of Finance (Mr. Wilson) in his Economic Statement of November, 1984, outlined the problem quite clearly. He stated that many Canadians have taken on heavy debt loads in the form of a personal mortgage or a personal loan, but they have done so in the belief that their incomes would rise more rapidly than their debts and the cost of carrying that debt. However, if our debts and interest payments continue year after year to grow faster than our incomes, we know we have a problem. If they continue to grow and reach a point where we have to start borrowing money just to pay the interest on our debts, we know we have a serious problem. This is the situation that the Government finds itself in today after the years of economic mismanagement and lack of responsibility of previous Governments.

Huge Government borrowing crowds out private sector investment and puts upward pressure on interest rates. The higher the rates, the more borrowing the Government will be forced to do in the future. It is a vicious circle, a dangerous treadmill that is crushing the vitality of the economy.

In his speech before the Investment Dealers Association in Quebec following his May 1985 Budget, the Minister of Finance elaborated on the problem when he said that as a nation we must improve the health and performance of our economy if we are to be able to continue to afford the social and economic programs that we have grown to enjoy and expect. The Budget aims first and foremost at improving that economic performance. In future Budgets we can make adjustments to Government programs as the financial position of the economy and the Government permits.

• (2020)

Investment can be described as a decision to forgo some immediate expenditure today in the confidence that the investment will build a stronger and more productive life in the future. There are not many investment decisions that are taken solely as a result of cold calculation. Confidence in the future is, in many cases, the deciding factor. That is why our Government set out to rebuild the confidence that Canadians have in this country, their Government and themselves. Part of the rebuilding process is to demonstrate to ourselves that we can control our national debt. But this means that we must all participate in that effort.

Let us consider what alternatives we have in responding to this problem and why this Bill today must be one of them. The Government's current expenditures, as Members will know, are just over \$100 billion per year. As I said, one quarter of this, some \$27 billion this year, goes for interest alone on that debt. The only real tool we have in reducing this is to try to reduce interest rates which, in turn, means trying to control