

*Supply*

which the Government could approach tax reform in order to raise revenues to provide the services which are needed.

There is another suggestion I would like to make with regard to tax reform. It has to do with the reporting of tax expenditures. Something of which we need to remind ourselves from time to time is the fact that Government spends money in at least two fundamental ways. The Government can write a cheque, such as a family allowance cheque, and send it to a family, or it can give a grant to some organization or group, in other words, spend money in a direct fashion. The other way that Government spends money is by giving various forms of tax breaks or write-offs to corporations or individuals. It simply does not collect the tax it would otherwise be entitled to collect and thereby forgoes revenue. The problem with this kind of spending is that it is hidden. No one knows from day to day exactly how much we are spending in that way. Therefore, we need to have full and open reporting of tax expenditures. We need to acknowledge that we spend money every time we give someone a tax write-off. The full reporting of tax expenditures would give us an opportunity to examine their effectiveness. If ordinary Canadians became aware of just how much money we are spending in this way, then they would insist that those tax expenditures be effective, in other words, that they work. If their objective were to create employment, then they should create employment or else they would be eliminated.

● (1740)

I suspect there are many tax expenditures we could eliminate because they do not give us the economic benefit they promised and they do not create new employment. It is fairly obvious to most ordinary Canadians that if the tax expenditures worded by and large, then there would be many more ordinary Canadians working today than there are. So we on this side of the House recommend that the Government approach the problem of providing services from the perspective of raising revenue rather than of cutting those much needed services which deal with people's basic human needs and equality between men and women. So tax reform is something this Government must face up to.

More specifically, regarding the public service cuts themselves, let me say that when the Conservative Party campaigned during the election, it ran around reassuring people that, yes, it is going to reduce the deficit but it is going to do it by cutting out waste and fat. In no way is it going to touch needed and worth-while public programs. I wish to remind the Government and Members opposite of that commitment, a commitment which has been broken. It is time for Members opposite to look at those promises and the nature of the cuts they are making. They need to wake up and realize that Canadians are not going to accept cuts in needed programs and that if this Government continues to act the way it has, it will lose the public's confidence. Members opposite should remind themselves that one of the reasons they promised the Canadian people they would cut only waste in order to reduce the deficit is that they knew that if they were to tell the Canadian people they would cut valuable public services, Canadians would not put their confidence in them. They

should also realize, now that they are in office, that if they cut needed public services, Canadians will withdraw that confidence. So this Government should wake up before its own actions lead to its demise because of a lack of public confidence.

Another reason why these cuts in public services are ill advised is that, while I know the Government is doing this because it believes in its own way that it will reduce the deficit and lead to economic recovery, every time a cut leads to reduced consumer demand and unemployment, it also leads to reduced revenues for the Government. This is particularly true where the cuts affect services which are labour-intensive. So this Government's own economic programs could backfire and we could end up with a larger deficit.

One area of critical interest to the women's movement, and of course to all Canadians who are concerned with families, has to do with cuts as they affect social services, particularly the universality aspect. We should remind ourselves once again of what the Government said before it was elected. The Conservatives said that universality was a sacred trust. Even before election day, they said they would not touch medicare. Of course, medicare is of great concern to women across this country. Medicare meets family needs and Canadians will just not put up with a Government which tries to savage medicare. But once the Conservatives got into office, they issued an economic statement in which they questioned pensions and family allowances. Well, it did not take very long, maybe a month, for the Government to wake up and realize that it had better not fool around with pensions either, because Canadians were not going to allow a Government which ran on the promise of universality as a sacred trust to mess around with pensions. Canadians fought for these pensions over a long period of time and we are very proud of them as a social policy. But the Government has yet to give us any real assurances that it will not savage family allowances. The Government should realize, as it continues to tinker with and take apart the principle of universality in social programs in its effort to reduce the deficit, that family allowances are something that Canadians feel very strongly about. It took a long fight to get them for Canadians and they are something that Canadians will not likely give up.

So as we consider the equality of women today, we should consider that this Government should be very cautious as it approaches the question of family allowances. The Government should be more concerned about whether the level of family allowances is adequate and whether it can find ways of increasing benefits rather than trying to find ways to reduce or eliminate family allowances on the basis of income.

I see that my time is running out, Mr. Speaker, but I want to say that rather than approaching the whole question of how to pay for our public services, particularly those which relate to families and the equality of women, by way of cutting needed public spending, you should approach it from the revenue side and take a serious look at tax reform in this country. That is the way to raise the revenue to provide the