

*Government Orders*

• (1720)

In my reply to the speech from the throne last week I talked about how our safety nets are catching more people than the fish nets in Newfoundland have been catching cod in the past few years. While many people have been saved by our safety nets, there is a growing number who are caught and trapped in them.

W5 reported last Thursday night that one in every four people in Toronto is dependent on transfer payments from the government. Even in my home province of Saskatchewan where our unemployment rate is always low because many people move out of province when they become unemployed, the statistics are still alarming. Spending on social programs has increased seven times between 1972 and 1992, and as of September 1993 there were almost 40,000 welfare recipients in Saskatchewan, a 13 per cent increase in the last year.

The tragedy here is that 49 per cent of welfare recipients were considered fully employable.

Our challenge is to give Canadians new hope for the future. Can we give them new hope by going deeper into debt? I think not. For years the cry from special interest groups has been to spend more and more money, and it has not helped. The problem is quickly going from bad to worse.

The Newfoundland Economic Recovery Commission recently published a report called "A Proposal for a New Income Supplementation Program and Other Reforms to the Income Security System". Page 2 of this report outlines some of the weaknesses in our current income security system. First, the system discourages self-employment and small scale enterprise. Second, the system undermines personal and community initiatives. Third, the system undermines the importance of education. Fourth, the system distorts the efforts of local development groups. Fifth, the system creates disincentives to work. Sixth, the system impedes productivity for employers.

Page 6 of the same report states: "On the whole the current system has induced an unconscionable degree of dependency which is unfair to contributors to the unemployment insurance fund and in light of recent fiscal restraints is not sustainable".

In order to address this crisis, Newfoundland has proposed to replace both unemployment insurance and social assistance with an income supplementation plan that would direct over 85 per cent of the money currently spent on these programs to the people in Newfoundland who need them most. I agree with the thrust of the Newfoundland proposal, which would basically eliminate the duplication of federal and provincial programs that have ended up serving much the same purpose and many of the same clients.

Last week my hon. friend from Medicine Hat outlined some key principles that should govern this process of modernization and restructuring of the unemployment insurance program.

First, he stated that all stakeholders must have a real voice in the process. Second, decisions must be made in the long term best interests of the country. Third, decisions should take into account the current economic, social, cultural and political environment. Fourth, the programs must have clear, measurable objectives. Fifth, all programs must be user friendly.

Some of the people in my constituency say our UI program is not user friendly but maybe it is a little too friendly to the users.

Sixth, all government programs should treat all Canadians the same, regardless of where they live. Finally, he said all government programs should promote and encourage personal responsibility and initiative.

Some principles of my own that I would like to add to my hon. friend's list are as follows:

(a) Our social programs must be financially sustainable in the long term.

(b) Our social programs must make people less dependent on government. There should be incentives built right into the system that would wean people off the system and not make them more dependent on it.

(c) Our social programs should be designed so that there are incentives for the public service when the program objectives are achieved. For example, public servants should be rewarded for reducing spending. They should be rewarded for lowering taxes, rewarded for increasing the number of new business starts and expansions, and ultimately rewarded for lowering unemployment.

• (1725)

(d) Our social programs should be designed to eliminate all duplication among the federal, provincial and municipal governments.

(e) Our social programs should learn from the lessons of the past and be designed to eliminate the abuse to the system and the outright fraud that hurts every Canadian taxpayer and robs them.

(f) Our social programs should be targeted to those who most need them.

(g) The need for social programs should be based on family or household income and be administered through the income tax system. I believe we should have one income security program that would replace all others.

(h) Our final proposal for reform of our social programs should pass regional fairness tests.

(i) Whatever the final package of social reforms looks like, the majority of Canadians should be in favour of it.

How we manage this process of change will go a long way to determine how successful the end result will be. The process has to be truly open to new ideas, even radical new ideas. The