

Government Orders

While 3 per cent of GDP would be the lowest deficit in 20 years, it is irrelevant when one considers that the net federal debt has risen to 73 per cent of GDP. Despite the federal reductions outlined in the budget, we cannot hide from the problem of increasing debt.

A year from now the debt will be in excess of \$600 billion and the interest on the debt is expected to go up by about \$8 billion to top the \$50 billion mark.

• (1655)

When the Prime Minister boasts about the 3 per cent deficit target, all he is really saying is that the growth of the debt will be slowed. The debt may grow at a slower rate than it did in the past. That is not really anything to boast about when one considers that the \$42 billion spent on interest payments is \$4 billion higher than a year ago.

What is the reason for that jump? It is the \$2.5 billion for interest on the new debt that has accumulated. Our past deficit now requires interest and it is the \$1.5 billion for which higher interest rates are responsible. Program spending will only be reduced by some \$12 billion over the next three years while the interest charges will grow by \$13 billion. We are not gaining. We are paying more and getting less.

The reality is that Canada has a debt problem, not just a deficit problem. The government was elected 16 months ago. How long do we have to wait before it gets on with tackling the problems of the 20th century? The debt clock is ticking and the Liberals are still fiddling. Someone should tell them that they do not have a lot of time left. Canadians know all too well that if a government does not address these sorts of problems in the first two years of its mandate, it is not likely to implement any difficult decisions in the face of an impending election or in the last half of its mandate.

Canadians are demanding action. They want government and politicians to be accountable. If the government shunned traditional Liberal practice and did the right thing for Canadians, it would find those very Canadians willing to support it.

The problem is that the Liberals do not have a plan to take Canadians to their ultimate goal of deficit elimination and tax reduction. They do not have a plan to solve the labour disputes over a long term. They do not have a long term plan to reform social programs. That is particularly obvious when one looks at the new Canada health and social transfer act. This is the much touted initiative that rolls established programs financing and the Canadian assistance plan into a new block funding arrangement.

The idea may have some merit but it presents more than one dilemma for the provinces. There are no financial projections,

for one thing, beyond 1997-98. How can provincial finance ministers make their fiscal projections for the future with any degree of accuracy if they do not know how much they can expect from the federal government?

Canadians want to see some light at the end of the tunnel and they do not want it to be the headlight of an oncoming train. They want to know that the fiscal sacrifices that they have to make will not be done in vain.

That is why the Reform Party took the unprecedented action of presenting a budget that explained how the deficit could be eliminated in three years. It is too bad for Canadians that they elected a government that lacks vision. The only solution the government can come up with is to drop everything on the provinces. We do not think that is fair. By transferring additional tax points to the provinces, our plan offers them a dependable, growing revenue base to fund health and education over the long run.

As a farmer, I have come up with a way to explain the difference between the Reform Party and either the block funding proposal or the existing arrangement. This does not involve teaching a person to fish or giving him a fish. It involves a chicken and an egg.

Under the existing arrangement, the federal government keeps the chicken and gives the provinces a dozen eggs. All the eggs have strings attached. That means the federal government can unilaterally make the decision to give less eggs to the provinces.

The Canada social transfer involves giving the provinces a carton of eggs with one or two eggs missing and still with strings attached to the carton. The federal government continues to hold the chicken and can continue to remove the eggs from the carton it sends to the provinces.

Neither of those situations sound like perfect situations. The Reform Party proposes to give the provinces the chicken.

• (1700)

The government budget tells the provinces their transfers will be cut. We would work with provinces to develop national standards for health care and education. The Reform taxpayers budget showed with reasoned determination Canadians can emerge from the tunnel into the sunlight. The Reform budget offers Canadians hope for the future. Under our plan there will be enough money to support those who are unable to help themselves.

The real threat to social programs is the failure of the Liberal government to control the deficit and the debt. The government will do and say anything to prevent Canadians from realizing this fact.