

Government Orders

ue to provide the quality of life that we have been providing to Canadians for the past 100 or so years.

To that extent one would say that we not only have to work harder but we have to work smarter.

• (1620)

I would be misleading the House and Canadians if I were to say that at the turn of the switch things are going to be better. Canadians know that in order for things to get better we all have to make sacrifices. We all have to take a bold approach toward changing not only the appearance but the fundamental structure when it comes to the kinds of things we do and the programs we provide.

The reason I say this is because if we look at the programs that we have today, many have been in existence 25 to 50 years in some cases. Some of those programs have kept up to the demand and to the technological changes and have been updated. Other programs definitely require a closer look.

I am going to give a couple of examples. Let us look at the figures for 1972. In 1972 the Canadian government spent \$3 billion on unemployment insurance and social assistance. Guess how much we spent in 1993? We spent \$33.4 billion. Looking at how much we spent on education, it is interesting to note that Canada spent perhaps more than any other country in the world on education. All governments together spent in excess of \$50 billion a year on education.

When it comes to the overall expenditure on all of the social programs, that would put Canada behind Sweden as the country that spent the most on social programs of any country in the world. That is why we have the finest support services anywhere on the globe. That is why we have to make sure we do everything we can to continue to provide the quality services that are required.

If we look at what we are spending in terms of resources, gross, financial and otherwise versus in terms of how much we need in order to continue to support those programs, the devil will show up. That devil is a tremendous amount of debt that totals in excess of \$700 billion if we combine the federal as well as the provincial governments' debts.

To support that debt in terms of the deficit it is in excess of \$37 billion to \$40 billion on an annual basis. If we add this to the amount of funds we are putting in to support social programs and our educational system and if we continue to do the kinds of things we are doing today without some major overhaul, it will take us quite a while to catch up. I might suggest that we will never be able to catch up because, as my colleagues know, cutting services alone is not going to solve it.

If the government was to fire every public servant we would still have a deficit of approximately \$20 billion a year. Cutting programs is not going to solve it. What will solve it is if, as the Minister for Human Resources Development has suggested, we

look at the way we provide those programs and services to the community and try to fine tune those programs and services so they will meet the needs and the challenges of the 1990s.

Second, we have to improve our productivity and our standing on the international scene as well as here in Canada in order to create wealth. The NDP's theory of redistributing wealth failed. We have seen it in Ontario as well as in Saskatchewan and British Columbia when they were in power. It does not work.

The second theory of ultra independent capitalism without government being at least there in order to provide a fair and proper environment also does not work because the private sector alone will not solve it. As well, if we leave it up the public sector alone it will not work.

Historically, the best approach to solve our socioeconomic problems has always been the Liberal approach. Would the House not agree?

• (1625)

Mr. Rideout: Absolutely.

Mr. Harb: That is basically what this government is doing. We are looking at the way we deliver our services and our programs. We are trying to put in place a mechanism that will help us move ahead to control the deficit, reduce the national debt, eventually eliminating it, and continue to provide quality social programs for people, including our seniors, and continue helping our youth so they can obtain the kind of education they need.

There are some challenges. I would like to share some of those. Now in Canada over 38 per cent of the Canadian population is considered to be functionally illiterate. In other words, these people may have difficulty to calculate properly, read or write properly, fill out an application form properly and/or properly read manuals that might relate to their daily work.

The cost to the business community alone on an annual basis is over \$4 billion. It costs the government \$10 billion a year in terms of lost productivity and other accessories that go along with it. Looking at the national deficit of \$40 billion alone, it costs us about 25 per cent of that. If we lived in an ideal world with no illiteracy, we would not have a problem. I know we have to catch up in order to reach that particular state.

I spoke earlier about the fact that there is a shrinking in terms of the number of people who are entering the workforce. That is a result of two things. First, the productivity rate in Canada is decreasing, not increasing. Second, there is a major problem in our educational system. Out of every three students now there is one student not finishing high school. Did anyone know that?

About 33 per cent of our youth are not completing high school. Instead, they are getting low paying jobs at Dairy Queen or at McDonald's. As a result of that eventually, if they are unlucky, as are many of our youth, they will find themselves in the unfortunate situation of not finding the job they need. They go on welfare or UI. They find themselves outside of the safety