

*Government Orders*

cohesion. To be effective, social as well as employment development policies must be integrated. Every Canadian understands that.

However, for Quebecers the choice is simple: health and social services policies must be concentrated in Quebec. After some 30 years of making claims, from Jean Lesage to the Allaire report, it must be recognized that such a reform is impossible to achieve. The solution, therefore, is in the sovereignty of Quebec. Then, Quebec will have to make choices. It will be responsible for its decisions, its successes and its failures. It will have to perform without this safety net, from a political point of view, but it will make its own decisions. Conversely, English Canada will also be free to decide which level will be responsible for its social and economic policies.

I strongly suspect that English Canada, at least some groups, will largely support the measures which the minister is about to implement. Indeed, I truly believe that a lot of people will support this government initiative. English Canada has the right to choose its own social and economic measures. I also strongly suspect that other groups from English Canada will be concerned by the minister's intervention in a sector which matters so much to English Canadians. But one thing is sure: English Canada is like Quebec and must deal with the situation by taking action to meet its needs.

• (1205)

Third, the federal government must immediately implement a vigorous economic recovery and job creation program using the cuts made not in social programs but in Canada's heavy bureaucratic and military structure. If Parliament can operate with less resources, the government and the armed forces can as well.

I do not think that many people will believe that this bankrupt government, subject to continual pressure from the right, is not trying to take money from the less fortunate with this reform. Who will believe that this is not a budget exercise? The rhetoric of the department and of the minister, I am sorry to say, is the same as we heard last year from the Conservatives when they imposed their reform with Bill C-113, a reform which after some very fine words, as wonderful as those spoken today, resulted in a 5 per cent reduction in benefits paid to the unemployed.

The Liberals did not fall for that rhetoric then. They rightly and to their credit voted against that bill. We will do as they did and vote against the proposed measure.

[English]

**Mr. Hermanson:** Mr. Speaker, I rise on a point of order. Pursuant to Standing Order 43(2), Reform speakers will divide the time allotted them into two equal time periods.

**The Acting Speaker (Mr. Kilger):** Very well. The first speaker for 10 minutes will be the hon. member for Athabasca.

**Mr. David Chatters (Athabasca):** Mr. Speaker, I rise in the House this morning to discuss the sustainability of our nation's social programs and how this discussion will relate to Canada's aboriginal peoples since this particular segment of society in my constituency is one of the most vulnerable to the social program changes.

I would like to congratulate the minister on his presentation in the House this morning. Certainly he can count on support from the Reform Party for the goals he set out for us this morning. They are certainly goals we can all agree with. We look forward to seeing some substance added to the goals in upcoming months.

The minister spoke of fear of change on the part of members of the House. I assure him that members of our party do not fear change. In fact we stand for real, basic change in the way government operates and the services it provides. We can support him in some real change.

I only hope the government is prepared to act on the root cause of why Canada's social programs are on the brink of collapse. Members opposite say that we do not have a spending problem in the country, that we have a revenue problem. Since arriving in Ottawa I have heard much debate in the pre-budget consultations about broadening the tax base. By my calculations and from the admissions of members opposite this broadening of the tax base can perhaps add, at most, \$5 billion a year to the revenue of the federal government which has a \$40 billion plus deficit and 60 per cent of government spending, excluding interest costs, going toward the cost of social programs either in direct payments to people or transfers to provinces. It is very clear that we must examine our social program spending in a real and basic way.

The root of the problem is the enormous and increasing debt of the country, a debt with interest payments eating up the amount of tax dollars available for social programs. In less than one decade the debt has more than doubled. In 1984-85 the national debt was \$206 billion. By 1994 the federal debt is exceeding \$500 billion. Not only has this debt increased by \$300 billion in less than a decade, the rate of increase is gaining momentum at a frightening speed.

• (1210)

Interest payments on the debt are not getting any smaller. It is quite the contrary. They are increasing by billions of dollars every year. Interest payments last year were \$39 billion while our revenues were only \$121 billion. This means that the government will be paying more tax dollars toward interest payments on the debt and less and less on social programs.

While interest payments in support of the debt increase so does the amount of money the government is spending on social programs for Canadians. In 1984 the total amount of money