

Government Orders

warned that the Canada pension plan will be exhausted in 20 years.

Despite the added pressure of an ever increasing deficit and debt to service, the government must still deal with this problem. It is clear the looming interest payments on the debt will virtually kill pensions and other social programs. Also, transfers to provinces for health, post-secondary education and welfare will be lumped into the new Canada social transfer.

The deepest spending cuts are left until next year when the \$7 billion in social program cuts begin. Provincial transfers will be reduced by \$2.5 billion in 1996-97 and \$4.5 billion in 1997-98.

To what extent will spending cuts be downloaded to the provinces? A lump sum payment will be given to them and the feds say: "Find a way to save the money, but you must still live by our rules or we will withhold the transfers".

This budget does not place resources and responsibilities in the hands of those levels of government closest to the people. It does not include tax point transfers which would give provincial governments the resources needed to pay for their social programs.

Without social program reform, the provinces and the taxpayer will have to carry the burden. They will be asked to streamline programs. However, if the federal government does not like the changes, it can withhold the money.

Programs to natives, Inuit and Metis will increase. Yet the government has not taken measures to clean up what are clearly identified as badly managed programs. Despite budget cuts, spending will increase by \$600 million because of escalating interest payments alone. This budget is an example of the consequences of not eliminating the deficit quickly.

On the other hand, the Reform Party's taxpayers budget would eliminate the deficit in three years with spending cuts and no tax increases. The taxpayers budget would restore labour market efficiency through the reduction of social program dependency. It would create an economic climate that would lead to lasting private sector job creation.

What will it take to ensure governments—this one and those that follow—live within their means by not spending more than they take in? We can look to Switzerland for an example. The Swiss enjoy one of the lowest marginal income tax rates, a high standard of living and a generous social safety net. How do they do it?

The Swiss government is required to go to the voters if it wants to raise taxes or spend more money. The government is constitutionally bound to live within its means. This has been in place for years and it works. Government is accountable to the

people. Is that not the way democracy should work? It is representation by the people and for the people with the people having control of the purse strings. I wonder how those fat pension plans for MPs would fare if they had to go to the public to be approved.

The Swiss must also be consulted on any law or regulation. Does anyone remember the Liberal red book's promise to scrap the GST? In fact, the Swiss government asked the people to approve a similar goods and services scheme. Three times the voters said no. The fourth time the plan was successful and has just been implemented this year. If the Swiss decide they do not like the tax, they can rescind it by petitioning government to remove it. I am sure every Canadian would approve of tax and expenditure limits for their government.

This government had the good fortune to inherit a healthy economy. If the economy slows, as is expected, added pressure will be brought to bear at a time when the deepest budget cuts must take place. If we call this a debt crisis today, what will we call it then? This budget plan will still add to the debt and continue the erosion of social safety nets.

• (1245)

Our only hope is that the Minister of Finance will not be swayed and will continue to find ways to save money and ensure that programs are effective in their delivery while providing the necessary means to evaluate the programs. If programs do not achieve what they were intended to, they should be eliminated.

Spending cuts are important, but even more important is the acceptance of the need to balance the budget and the presentation of a plan that will take us there. Although too little and too late the budget was a step in the right direction.

The government is now left to do what must be done: plan to balance the budget during this term of Parliament and tell Canadians how it is going to do it.

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I welcome the opportunity to speak on the budget. In the week immediately following the budget I had two public meetings with constituents, two meetings with farm groups, and one meeting with the forestry industry.

My purpose in holding the meetings was to set out as well as I could the facts arising from the budget so that together with the constituents in my community we could understand the impact in a real sense and manoeuvre and develop policies to address the future.

In so doing I believe we were able to examine critically the budget and to obtain constructive feedback. I will come to the feedback later in my remarks. It is no secret that the priority of the government is to restore Canada to fiscal health and meet the