

*Government Orders*

I want to impress upon the minister and his colleagues the unacceptability of the status quo.

Let me turn to principles of real reform. Allow me to list three principles of real social reform which would allow us to separate the wheat from the chaff in this paper and to separate those proposals which merely perpetuate or tinker with the status quo from those which would really meet the needs of the young, the old, the sick, the poor or the unemployed.

The first principle, social spending, in particular transfers to individuals, should be targeted to those among us who are most in need. Universality, where universality has come to mean that the taxpayers should pay 100 per cent of the bills for social services 100 per cent of the time regardless of the resources available or the financial status of the individual being served, should be abolished as a principle in the design of social programs. This traditional definition of universality is a Liberal invention whose wastefulness has ensured its extinction.

Traditional universality should be replaced by the principle of universal access to public support provided a real need exists and can be demonstrated. In days gone by the principal objection to needs based public support was that it required individuals to complete a means test. Today with the universality of the income tax form, targeted social spending is administratively feasible as well as desirable from a policy standpoint.

The grab bag of proposals that the minister has presented us with includes a couple of items that pay lip services to targeting social benefits to those in need such as the proposal for a targeted child benefit. However, if the minister were really serious about targeting social spending he would have included in his discussion paper figures and charts to illustrate how much of social spending is currently being transferred to people in various income categories including people who do not need it and how that social spending should be retargeted.

The Reform Party has conducted scores and scores of public discussions on targeted social spending. This is hardly a new subject, but the public is not stupid. In such meetings it asks hard questions: "Show us the current distribution of government transfers to individuals and households for OAS, for UIC and for Canada assistance. Who gets what? What households at what income get what benefits? Only then can we tell you whether the current distribution is fair or wasteful or needs to be tipped more to those in lower income brackets". We cannot have a proper discussion of targeted social spending without that data, yet the minister's paper fails to provide those.

• (1210)

The second principle, social programs should be financially sustainable. Social spending overall should be on a pay as you go basis, not continually financed through deficit spending. This means that the current levels of social spending must be reduced since the federal deficit cannot be eliminated solely through cost cutting in other areas of spending. Continued deficits simply impoverish future Canadians and ensure their dependence on an unravelling social safety net which is not financable in the future.

Transfers of wealth from better off Canadians to those who are truly in need are clearly well supported by Canadians but transfers from future Canadians to current Canadians through public debt are not, nor are inefficiencies and wasteful uses of taxpayers' money, nor are fraud and abuse.

In some cases the tax system should be used to recover all or some of publicly funded financial assistance provided the persons or households whose income levels exceed specified levels. This could include, for instance, relatively well off individuals who temporarily receive benefits between jobs.

If the government were serious about ensuring the financial sustainability of social programs it should have done two things. First, the discussion paper should have included the cost of the various alternatives and should have compared those with the cost of existing programs. Its failure to do this is the biggest single flaw in the document.

How can Canadians have meaningful discussions of alternative proposals when they have no idea of what they will truly cost?

The minister is still not adjusted to the fiscal realities of the 1990s. It is the 1990s, not the 1960s. It is irresponsible in the public arena and particularly in this Chamber where we are spending \$110 million more per day than we collect in revenues.

It is irresponsible to propose anything, any policy option, without answering the three basic fiscal questions, what will it cost, where will you get the money, and why do we not spend less.

Second, the government should have established clear spending priorities, not just for social spending, but for the entire federal government. I have to wonder where those priorities are when the government proposes ending federal funding to post-secondary education while still spending billions of dollars to subsidize businesses, special interest groups and crown corporations.

Finally, in questioning the commitment of the government to financially sustainable social programs I note the absence of any clear plan to target and reduce social spending by the amounts required to meet the government's own deficit targets.