

Government Orders

women which I support whole-heartedly as someone who has worked in this area for quite some time.

I want to ask the member if he could at the very least help me understand what his party really does mean by those in need. How would the member define those in need?

Mr. Breitreuz (Yellowhead): Mr. Speaker, I thank the hon. member opposite for the question.

I think I can safely say that there is no member of the Reform Party, let alone the Reform caucus, that would not deny assistance to anyone who really deserves assistance. However there are billions of dollars going to wealthy people, people who are making above average incomes. It is those people from whom we feel that payment should be withdrawn.

For example, the Fraser Institute and economists from all over have shown studies that 30 per cent of wealthy people receive 30 to 40 per cent of government assistance. That just is not fair. It is not fair to those millions of average Canadians who are earning \$20,000, \$30,000 or \$40,000 a year. It is not fair that the tax dollars that these people pay, and God knows they are paying enough, go to people in this upper strata.

Mr. Gar Knutson (Elgin—Norfolk): Mr. Speaker, I would like to acknowledge the point that the debater makes. I too share his concerns with government spending. I share his concerns with making sure that government programs fall on those who are most in need.

• (1235)

I would like to ask him if he is familiar with a little bit of history called the depression of the 1930s in which the economy settled in to a long and profound period of contraction, serious unemployment and serious poverty. The great thinker John Maynard Keynes pointed out that this equilibrium had huge numbers of people suffering through no fault of their own, much like the recessions that we have had since and that it required government spending to increase aggregate demand and thereby increase employment numbers.

If we were to cut spending the way the Reform Party has said we should, balance the budget within three years, would that not make a bad situation worse by cutting aggregate demand and increasing unemployment and increasing poverty and thereby making the situation much more difficult than it is already?

Mr. Breitreuz (Yellowhead): Mr. Speaker, I thank the hon. member for the question. We have to remember that the depression occurred during a time when there was not the government involvement in the economies that there is today. Things went relatively quickly once the crash occurred.

All we are doing today by this overspending is procrastinating. We are charging it to the future. I suspect, and there are

economists that say this as well, that when that day comes when we cannot spend anymore and when foreign lenders will not lend us money anymore, what happened in New Zealand will also happen in this country. We certainly do not want to see that. That is why we say we have to stop spending now and prioritize spending.

Mr. Wayne Easter (Malpeque): Mr. Speaker, I might say in the beginning that embarking on this major comprehensive change to the social safety net is a bold and much needed move by the new government. I pleased with the process that the Minister of Human Resources Development has established which will involve people in terms of those discussions.

As well I might point out that in this initiative, along with the first budget of the new Liberal government, we must demonstrate to all Canadians this is a new government with a new agenda which places jobs and opportunities for all Canadians first and foremost.

While taking control over the deficit and debt is critical, we must not fall victim to the neo-conservative obsession of the past nine years which has directly contributed to the current crisis in Canada in terms of job losses, social unrest, increased poverty and disillusionment throughout the country.

It will be important for this government to outline to Canadians the limits within which we as government can work with respect to developing new made in and for Canada economic and social policies, especially so given the various trade agreements in which we now find ourselves.

For example, we have to address the issue in the very near future of the kind of federal provincial transfer system which will provide the critical social infrastructures for most provinces. As a nation and as a government we must ensure that all Canadians have equal access to programs under those economic and social policies that we implement.

Professor Tom Courchesne, a proponent of free trade, pointed out that an east-west transfer system does not square well with north-south economic integration. If Courchesne is correct, the future of our ability to provide for the means of our critical social programs throughout Canada could be at risk.

Our economy is still having to adjust to the Canada-United States Free Trade Agreement and is now faced with both NAFTA and GATT. Canadians do not want this government to merely administer trade policies negotiated by the previous government, they want a proactive government which will ensure that policies emerging from these trade deals reflect Canadian needs, not just the economic and foreign interests of our neighbour to the south.

The Prime Minister has stated clearly that he will operate on these deals in the interests of Canadians.