

*Supply*

Former B.C. Liberal Party leader Gordon Gibson writes in his new book: "Canadians ultimately want less control by Ottawa and more local management of their affairs. The basic concept here is government closer to home. Now home is where the heart is in our private lives perhaps, but in government terms, home is where the folks have the knowledge and resources to do the job. That single thought takes us a long way".

Adhering to the rule of thumb that the responsibility for addressing problems should lie with the lowest level of government possible does not require that we disavow the notion of federal leadership. A federal government with fewer employees, fewer departments and smaller budgets can still have a steering role in Canadian society. There would still be a policy framework setting function in certain areas even if no services were delivered.

These would include policy areas that transcend the capacities of state and local governments such as international trade, macroeconomic policy and much environmental and regulatory policy; social insurance programs like employment compensation where paying equal benefits to all citizens requires that rich and poor share differentiated burdens; and investments that are so costly that they require tax increases which might discourage business from locating or staying in a city or province. These are fundamental to leadership and to federalism at the central government level.

Even in these cases Reform believes that programs can be designed to allow for significant flexibility at the provincial or municipal level. The federal government can and must work with provincial governments to define jointly the mission and the outcome, but in doing so it must free lower governments to achieve those outcomes as they see fit.

Today we see that British Columbia is to be penalized to the tune of \$47 million for trying to do just that. What has been the Liberal response to decentralization?

**Mr. Bevilacqua:** Breaking the law.

**Mrs. Brown (Calgary Southeast):** Decentralization is not about breaking the law with all due respect to my hon. colleague on the other side of the House. The government has resisted the natural ebb and flow of this federation by operating completely oblivious to its surroundings.

We saw this in the recent referendum. The government grossly miscalculated by adhering to a status quo position. Only when it became obvious that its policy was a complete failure did it move to make insincere promises of change. Now where is this change? Where is this vision for a new federation, a new federalism? Where is the blueprint for a renewed Canada? Where is the leadership to bring forward such a plan, given this government's previous attempts at major change? I would

suggest that we will be waiting a long time before we see substantive and meaningful change.

Let me give one example of how this government is failing to deliver on its promises to reform and decentralize social programs. Consider the current welfare issue in British Columbia. I wanted to come back to that in my text because it is extremely significant today. When the province made changes to its own program by stipulating a residency requirement for welfare qualification, the federal government stepped in, and it has indeed stepped in, in a punitive fashion today, and threatened the province. Yesterday the artificial deadline passed in B.C. and we now see the results of what has happened.

There is no question that the B.C. government should be permitted to administer its affairs without federal interference. The minister, rather than taking such punitive action against the province should back off and leave it free to run its own programs. It is absurd for the minister, who has radically reduced transfers to the provinces, to turn around and intervene in provincial jurisdictions.

The minister continues to refuse to meet with the provinces over the Canada health and social transfer. Now when the provinces try to move forward, he stands in their way. Go figure. It would seem this is the Liberal position on co-operative federalism. How terribly predictable. How truly unfortunate. How really "made in Ottawa" it is.

• (1145)

During our briefings on Bills C-111 and C-112 we were provided with a briefing package on the changes these bills provide. At every twist and turn and at every reference to labour market training it is very clear that the provinces must negotiate with the government. They must seek to enter into a formal agreement with the federal government on how employment insurance benefits will work and how they will be delivered. Instead of giving complete power and adequate resources to the provinces, these amendments give a de facto veto to the federal government over the management and control of manpower training programs.

Ironically, the Liberal government is holding on for dear life to programs it has proven it is absolutely incapable of managing properly.

Just two weeks ago the auditor general stated in his report that there are grounds for concern that a lack of training in key areas may be producing a braking effect on jobs for the unemployed when the economy is expanding. Clearly, Canada's auditor general believes that the Liberal government is failing in its attempt to create those long term sustainable jobs, jobs, jobs we keep hearing about from the other side of the House. In fact, one may conclude from his comments that the government is actually hindering job creation, not helping it.