

Government Orders

If we took action to reduce the expenditures for unemployment and welfare we would be reducing the deficit. Let us say it costs an extra \$5 billion to reduce an expenditure of \$15 billion, but even then we would be \$10 billion ahead.

• (1520)

Somehow this government has developed a system which allows it to put the cost on somebody else. It has put the cost of UIC on the workers and small business. Local hospital boards pay additional UIC premiums. It is costing my school board an extra \$1 million in UIC premiums, money taken away from education. The federal government is saying: "We are not going to consider that a deficit because we do not have to pay it". Well, I will tell you, the taxpayers of this country have to pay it.

Somehow the government has to get a different accounting system. The deficit is not only what is on its books but it must look at the human deficit being caused by the increase in unemployment, the human suffering when people are forced to go on income assistance. Many of them lose their homes and their cars.

In effect, the government is saying that it is only concerned about one figure. It is not concerned that in the province of British Columbia this year, out of a total deficit of \$1.7 billion, \$1.1 billion is a direct result of cutbacks in federal transfer payments. In Ontario, something like \$5.4 billion is also attributable to the federal cutbacks.

I see that I am out of time.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, one of the interesting aspects of the debate on Bill C-60 is what comes with governing, the sense of responsibility that comes with governing. One of the things I noticed in this House in relation to Bill C-60 is that the NDP from B.C. and those members from Ontario are now up on their hind legs in defence of their respective governments. It is very interesting. The responsibility they have to exercise now is ringing home in the minds of most of those members.

I simply want to remind them that in this system of transferring dollars to certain other provinces in Canada, there are basically only three provinces in the last number of years that have been in a position to be able to do that. In other words, seven have not provinces are

being supported by three provinces, namely British Columbia, Alberta and Ontario.

The question I have for the member is this. If we are to transfer more dollars to the provinces at this point, where do those dollars come from if we do not borrow them? Where do they come from?

Mr. Karpoff: Mr. Speaker, I think it might take me a little longer than two minutes to give the Tories a lesson in economics. There are several things they could do.

They could bring in fairer taxation. They could tax some of their corporate friends, the wealthy that have made millions and millions of dollars and paid no income tax. They could plug some of the tax loopholes that they and the Liberals have developed for the multinational corporations over the years. They could bring in fair taxation where people earning \$100,000 a year would not benefit from 60 per cent of all the capital gains tax. They could bring in a fair taxation system.

They could have dealt with their high interest rate policy and reduced interest rates 3 or 4 per cent on an average over the last three or four years which would be saving \$16 billion a year in interest payments. That is \$16 billion they could have been transferring to the provinces to deal with these programs.

If they had transferred that money to the provinces, the provinces would have been in a position to create some of the necessary jobs so that our unemployment rate may have been lower. Even the federal expenditures would have been lower.

They have this blind mentality and can only focus on their deficit. The federal government collects the taxes in this country and transfers them to the provinces but where would they be if it was reversed? What if the provinces had the power of taxation and only transferred to the federal government what they wanted? What would the Tories be saying now if the province of British Columbia, which was supposed to transfer \$20 billion under established programs for the federal government to carry out its responsibility, all of a sudden said: "Hey, we are not going to do it, we are going to unilaterally cut you back \$2 billion." Would this government say that was fair?

We had an Established Programs Financing Act. We had a Canada Assistance Plan in legislation in which there was agreement. That was as much a division of federal powers as anything in the Constitution. We had a Tory government, unilaterally, without consultation,