a coincidence, Minister John Crosbie himself the other day, when these two attended a $500-a-plate banquet with their supporters.

Let us see how Bill C-20 will improve the lot of Canadians in general and the poor in particular.

[*English*]

Bill C-20 is a bill to implement measures announced in the February, 1991 budget. It provides the legislative authority for some of the major initiatives outlined in the budget with respect to the government's expenditure control plan. Several of these measures are in fact extensions of measures originally outlined in the 1990 budget.

Bill C-20 deals with four major areas of the budget. First, it cuts funding for post-secondary education and health care. Increases in sessional and expense allowances for members of parliament and senators will be limited. Bill C-20 will amend the Public Utilities Income Tax Transfer Act for the purpose of limiting federal transfers to the provinces until 1996. Finally, and for me the most disturbing, it substantially increases unemployment insurance premiums. Before I deal with this last aspect, let me touch on the other three items I mentioned.

Bill C-20 amends the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act. It extends the 1990 budget freeze on established programs financing, or EPF transfers for a further three years to 1994-95. However, the transfers will continue to grow on a per capita basis with increases in population.

While these transfers to provinces allow them to pursue post-secondary education and health goals, they also give the federal government some leverage in enforcing national standards in these areas. Under the terms of the Canadian Health Act the Governor in Council may withhold, reduce, or deduct funds from EPF transfers from provinces that are in contravention of the terms set out in the act. In this way the federal government can impose national standards in the health sector on the provinces.

Bill C-20, however, will lead toward a complete phase-out of federal cash payments for health care and post-secondary education. Payments will be replaced by an increase in tax transfers. Without the cash transfers the federal government will have no leverage to ensure that all provinces adhere to the principles of medicare. In other words, national standards will be very difficult to enforce. Bill C-20 is the fourth piece of legislation introduced by the Conservative government to cut back on health and education funding.

The second measure in Bill C-20 with which I wish to deal is the amendment to the Public Utilities Income Tax Transfer Act. This act provides for the transfer to the provinces of 95 per cent of the federal income tax collected from privately-owned electric and gas utilities. These transfers were frozen in the 1990 budget. Bill C-20 extends the freeze for another four years.

The third measure, which I am sure all my colleagues applaud, concerns sessional and expense allowances for senators and members of the other place. These allowances will be limited for the year 1993 and 1994 to the lesser of 3 per cent or the weighted average of increases in the Public Service. This will follow the zero per cent increase for 1992.

Six days before the general election of 1988—I repeat, six days before the general election in 1988, the government announced that unemployment insurance premiums were to be reduced and that weekly benefits were to be increased. Naturally the Conservatives denied that the announcement had anything to do with the impending election. It was just a happy coincidence. In June, 1989, the government introduced Bill C-21, which we all remember very well, not long after the election.

[*Translation*]

What Bill C-21 did, for instance, was to eliminate all government contributions to the Employment Insurance Fund, contributions the government had paid since 1940. In 1989, for instance, the government paid $3 billion into the fund. And then, overnight, it decided to cut the fund off completely.

There might have been a case for reducing the government's contribution to the Unemployment Insurance Fund if the economy had been in good shape and if the unemployment rate had been particularly low. However, there was certainly no reason to do so two years ago, when we were discussing that abomination, Bill C-21, and the situation has continued to deteriorate since then. In February 1990, I said that the Canadian economy was losing steam, as reflected in the crisis in the fisheries in the Altlantic Provinces, and of course the dramatic circumstances of western farmers, massive lay-offs in the automobile industry in Ontario, soaring unemployment in Quebec and elsewhere, substantial drops in retail sales across Canada, and the drop in consumer confidence in this country. That is the kind of situation I described in February 1990.

Less than two years later, what we can see is a deterioration of the situation and a substantial increase in the number of persons who must now rely on unemployment insurance for their survival.

When government dismantled with C-21 our unemployment insurance program, the unemployment rate was at 7.8 per cent. It is now at 10.3 per cent in Canada as a whole, and it reaches even more dramatic proportions in some regions of our country. For example, it is still at 16.7 per cent in Newfoundland and Prince Edward Island, it rose from 10.9 to 12.6 per cent in Nova Scotia, and from 10.5 to nearly 12 per cent in Quebec, and it is all like that.

● (1420)

[*English*]

Under Bill C-21, the Conservative government eliminated all federal funding for the UI program, cut benefits and increased premiums. The happy coincidence was over. As part of the bill the government froze premium rates for 1990, 1991 and 1992. The legislation now before us breaks that commitment. It increases employee premium rates to $280 from $225 per $100 of insurable earnings as of July 1,1991. That is a 24.4 per cent increase. Employer premiums which are set at 40 per