

estimated cost to that province was \$415 million, and there is a staggering \$1.2 billion decrease in federal transfer payments to the province of Ontario this year.

What is happening without a doubt is that the federal government is renegeing on its responsibility to the people of Canada and particularly to the people in those three provinces.

We could ask ourselves why. We have answered one of the whys I think in that the government views these provinces as being wealthy and able to take care of those costs themselves.

The fact of the matter is if you are someone needing assistance it does not matter what province you live in and half the people needing assistance in this country, come from the province of Ontario.

With the financial situation having burgeoned as it has in Canada within the last year to year and a half, the province of Ontario has suffered great devastation as a result of the free trade deal, as has the rest of Canada. Along with the rest of Canada it has also suffered the devastation that comes with the changes to UI. Ontario has been particularly hard hit with the multiplying numbers of unemployed and it is my suspicion that where Ontario used to be a net contributor to the federal government it may turn out to be a have not province itself as a result of the changes to UI and the free trade agreement.

That 450,000 people have been lost, most of them in the province of Ontario, is something that weighs heavily on the kinds of programs which the Canada Assistance Plan was designed to help.

To reiterate and remind people what happens under Bill C-21, among other things it requires people to work for a longer period of time in order to qualify for UI benefits. Also they receive less benefits from UI in the event that they are laid off.

Those two things, multiplied together, have formed a devastating draw on the treasury of the province of Ontario.

I cannot help but point out that we have to bear in mind that the Canada Assistance Plan was set up to help people and for the Government of Canada to make an assessment on the Government of Ontario is demeaning in the most extreme sense of the word.

Something very similar happened with the extended programs financing which was set up originally to compensate the provinces for revenue lost to them as a result of tax reform.

Government Orders

Since the time when the changes were brought in we have had further changes by successive Liberal and Conservative governments to wear away and erode the amount of transfer payments to all the provinces which the federal government ought to be continuing. There were at least two broadside attacks by the Liberals after they brought in what originally appeared to be a generous program. Had it remained in effect it would have been. The problem I would suspect, considering the philosophy of the Liberals when they are in government which corresponds precisely with the philosophy of the Conservatives when they are in government, I might add, is that the—

• (1550)

An hon. member: How do you know that?

Mr. Fisher: How do I know that? I am very glad you asked that question. There are tonnes of statistics and evidence to prove that that is the case.

It was originally set up with a revenue guarantee to the provinces on these transfer payments under the extended program financing. In 1982—I do not remember who the finance minister was. Most likely it was MacEachen. Maybe it was even Turner—he changed the formula so that the revenue guarantees were no longer there.

Then we had those wonderful years of six and five. We all remember six and five and how it affected our pay cheques. I would certainly remind the Canadian public, those who have forgotten, and I suspect not too many ordinary Canadians have forgotten six and five, that it was the beginning of the end of any ability to keep up with inflation in this country. Our pay cheques have reflected this ever since, since exacerbated by successive Conservative programs and a tax on working people.

The education portion of the Established Programs Financing was cut under the six and five program. It is to its credit, although one wonders why, it did not cut the medicare portion of it as well, but in any event it did not. But the education portion of that was and as a result of that the research and development and the post-secondary education in the country have suffered enormously.

The Conservatives not being satisfied with the cuts the Liberals made to the Established Programs Financing, have taken three successive swipes at it. They changed the formula which tied the transfers to the growth in the GNP to GNP minus two and that was done in 1986. Not satisfied with that in 1990 the former Minister of Finance came along and changed that from GNP minus two to GNP minus three. Of course, just recently the govern-