

*Government Orders*

Prior to the country going into a recession, the dramatic rise in unemployment insurance demands and the dramatic rise in demands on income assistance, the federal government changed the rules on unemployment insurance. It made sure that it was no longer responsible for putting any money into unemployment insurance.

The government started its off-loading. That is the key to this government; it is off-loading its responsibilities on others.

In the unemployment insurance field, it off-loaded its responsibility by pulling out any federal government contribution from the unemployment fund and off-loading it on employees and employers.

That has had a devastating effect on many small businesses. They were not in a position to function as well when the economic downturn came along. One wonders whether the federal government did not anticipate this.

It also cut back on the eligibility for unemployment insurance, meaning that many people who would have qualified are now dependent on income assistance and are going to the provinces. This drives up income assistance costs of which the federal government is paying 50 per cent under the Canada Assistance Plan.

The federal government took care of this. It simply said in the three wealthiest provinces, which have well over 50 per cent of those receiving income assistance, that it would limit its responsibility by putting a cap on the Canada Assistance Plan to 5 per cent.

• (1310)

The federal government talks very much about the need for economic competitiveness and the need for education. It takes a stand, however, that has cut back on the transfer payments to the provinces for post-secondary education, and at the same time has cut \$200 million out of the Canadian job strategy program.

This is the context in which Bill C-60 comes before this House. The federal government has systematically off-loaded its responsibilities on the provinces, on to employers and on to employees. The impact on the provinces has been horrendous. It is worthwhile to spend a few minutes taking a look at each of these areas in terms of the impacts.

I will refer specifically to my own province of British Columbia. In the current fiscal year, the B.C. government is facing a deficit of \$1.7 billion, of which \$1.1

billion is directly the result of cutbacks of federal transfer payments.

The cap on the Canada Assistance Plan this year alone will cost the province of British Columbia \$156 million. One has to remember that these are the funds being transferred to the provinces to help the most disadvantaged, those who not only have lost their jobs but who no longer qualify for unemployment insurance. This is the money that is transferred to the provinces to help children, not only poor children, but children who are abused and neglected. This is the government that talks very nicely about fulfilling its obligations to the UN charter on the rights of the child, while at the same time cuts back the funds to the provinces which improve the standard of living and protect children. That is one program.

The other program is EPF. The cutbacks on EPF were started, not by this government, but by the previous Liberal administration. When block funding was brought in there was a formula. It had nothing to do with expenditures. The federal government was to transfer money to the provinces based on the growth, the GNP and the growth in population. It was not based on expenditures or on any mythical amount based on the growth of the economy. It could afford to make those transfers.

In 1982, there was a forced attack on it by the Liberal government in the elimination of the 2 per cent tax point transfer. Then there was the six and five program. Then the federal government brought in limiting the escalation to 3 per cent and finally freezing it.

From 1992 to 1995, the province of British Columbia will lose \$6.8 billion in transfer payments under this. Out of that, \$2.6 billion is the result of Liberal cuts and the balance, about \$4.2 billion, is the result of cuts by the federal Tories.

What is this money used for? It is to sustain our health care system at a time when the provinces experience not only escalating costs in health care, but increases in population, particularly British Columbia, because of the inward migration of people and the immigration into Canada.

It is also the money for post-secondary education, at a time when everyone knows that in order for Canada to be economically viable we must increase the number and quality of our graduates from our post-secondary educational facilities.