

*Government Orders*

House because of free trade. This government is determined to bring in what it calls a level playing field to harmonize with the United States. As we know, the United States does not have a program comparable to our national unemployment insurance program.

What is behind this? I think the government hopes that it can force workers into a position of having to take low paying jobs because those are the jobs that are being created under free trade. Industry after industry is coming to its employees and saying: "Look, unless you renegotiate your contract, roll back your wages and working conditions, we will simply close our plants and move to the United States". If employees at least have the buffer of unemployment insurance, they may decide to take their chances on unemployment insurance until they can find another job. So the government has to attack the unemployment insurance program also.

• (1150)

There is a tremendous reduction in benefits. One point five billion dollars is being cut from benefits. The government says that 30,000 people will totally lose their benefits. All reliable studies show there will be at least 130,000. In British Columbia there are going to be at least 16,000. In the Fraser Valley there will be 5,200 people. This is going to have a devastating impact on those kinds of regions. The buying power of consumers will go down. Where do people get the money to pay their rent, buy their groceries, purchase clothing for school children?

In a region like Surrey North, where we have a high number of seasonal employees, it is particularly devastating when entrance qualifications are increased from 10 to 14 weeks to 10 to 20 weeks. Twenty weeks is a long time for seasonal workers to be able to qualify. In Surrey we have a lot of people who work in the farming industry, particularly in the berry industry, and in market gardening. To get in 20 weeks is almost impossible and they will simply not qualify for unemployment insurance.

This is compounded by the way the government calculates the rate of unemployment. The city of Vancouver, downtown Vancouver, has been lumped in with the total lower mainland region which includes not only rural agriculture areas like Langley or Abbotsford but parts of Surrey which has a mixed economy. While in downtown Vancouver the unemployment rate may be 6

per cent or 7 per cent, in Surrey it is up around 10 per cent or 12 per cent. The government has averaged it out and is saying the unemployment rate is 8.1 per cent. This means that people would have to work 17 weeks. There has to be a method of more accurately calculating the unemployment insurance rate.

There are other areas in which the government has reduced the benefits, some of which are just nit-picky and vindictive. Benefits for adoptive parents have been reduced from 15 weeks to 10 weeks. What money is that going to save? The government says it is doing it for the deficit. Not enough money is being saved to make it worth attacking adoptive parents. There seems to be nothing but vindictiveness in this piece of legislation.

There are many other spin-offs which are devastated by this. One is the impact on local governments. Local governments are major employers and \$3 billion has been shifted from federal government expenditures to that of employers and employees. This means that an employer is going to have to pay \$181 more for his unemployment insurance premiums next year. In Surrey, between the school board and the municipality, there are 4,500 workers. That means that Surrey has to raise \$814,000 more. The only place they can do so is to raise property taxes. They do not have large industries so it is going to be mainly from residential property taxes. Is this government trying to tax people out of their homes? The city of Vancouver is going to have to raise \$2.3 million. The city of Toronto, not counting suburbs, will have to raise \$3.4 million.

Small business people are going to be hit hard because they are going to have to absorb the increased cost of unemployment insurance. I would like to remind government members that when they talk about job creation, between 1984 and 1988 small businesses, those with under 100 employees, created 890,000 jobs in this country. Large businesses, those with over 100 employees, cost us 50,000 jobs. There was a reduction of 50,000 employees in large businesses. The government is attacking the very people who are creating employment in this country. The employees who are unable to obtain unemployment insurance are going to have to go onto welfare, which is a transfer to the provinces of federal responsibility. The provinces pay 50 per cent of the cost of income assistance and welfare programs. Many of the