

*Government Orders*

As well, we are explicitly recognizing the special needs of workers and their families by extending the definition of child care just cause to include care for any member of the immediate family.

The purpose of this is to clear up some of the misinformation, distortion and confusion that has been perpetrated by critics and indeed by people across the way. We believe this is a step in the right direction and we believe that most Canadians will support it. Other aspects of the unemployment insurance policy are also being enshrined explicitly in legislation. For example, workers who leave their jobs because of harassment, sexual or otherwise, will have their claims heard with sensitivity and privacy and without having to confront their abusers.

• (1040)

I simply want to re-emphasize the point. A fair and efficient system of adjudicating claims is already in place to ensure that people who voluntarily quit their jobs are protected from biased considerations of their claims. What we are doing with this legislation is making much of the case law and UIC policy explicit in the Unemployment Insurance Act, both to reassure Canadians that the system is fair in practice as well as in principle and to better inform workers of their rights.

I now turn to the transportation subsidies and what we are proposing to do under this legislation in that regard. I would like to deal with the issue of regional transportation subsidies in particular with respect to the Atlantic Region Freight Rate Assistance Act and the Maritime Freight Rates Act. These programs will be cut by 10 per cent over the next two fiscal years, commensurate with our commitment to reduce grants and contributions by 10 per cent over the next two years.

Likewise, with respect to the western grain transportation subsidy, the bill we are currently considering proposes a new formula for calculating payments by the federal government under the Western Grains Transportation Act. The setting of freight rates under the act will be modified to achieve a 10 per cent reduction in federal expenditures for 1993-94 and 1994-95.

Turning to the Public Utilities Income Tax Transfer Act, this legislation proposes to reduce payments under the Public Utilities Income Tax Transfer Act, or PUITTA as it is commonly known in the House of Commons, by some 10 per cent. PUITTA provides for the transfer to the provinces of 95 per cent of the federal income tax collected from privately owned electric and gas utilities. The budgets of February 1990 and February 1991 capped these payments at their 1989-90 levels. However this

measure has failed to provide any savings since payments in the last two fiscal years were well under the ceiling we had set. We have decided on a modest reduction to keep in line with the over-all approach of a broadly based cut in grants and contributions. We have provided for a modest reduction of 10 per cent in the actual grants that are provided under this program for the years 1993-94 and 1994-95.

By stressing these measures we are making it absolutely clear that it is necessary to keep our deficit under control. The issues of taxation, spending and interest rates are closely linked. The policies that we pursue in these areas have a profound impact upon the viability of economic recovery which I have indicated is now gathering steam.

We know that the only way to ensure the prosperity of Canadians is through sustained economic growth. We have no intention of endangering the growth we already see by allowing the deficit to spiral out of control. This bill is a key part of our effort to rein in the deficit. I urge all members of the House to support it with enthusiasm. Given the fact we have the Leader of the Opposition committed to deficit reduction and given the fact we have the New Democratic Party getting on to this, we are now asking and appealing to them. This is what Canadians want us to do. They want us to act responsibly and they want us to bring the deficit under control. They are concerned for the future. They are concerned about their children and their grandchildren.

It was quite evident last night as we watched President Clinton set out his economic plan to the joint session of Congress. Obviously we welcome Mr. Clinton's initiative because he has recognized what we have been recognizing in this country for a number of years and has acted upon it. He has acted on confronting the difficult challenge of controlling the rampant growth of deficits and debt.

Under the plan he set out last night the U.S. government will consume less of the world savings rather than an increasing share. This should help reduce interest rates and encourage productive investment and growth, not only in the United States but in all countries around the world. We were encouraged by the fact that the president did not try to put any gloss on the enormous challenge of reducing the deficit. He was forthright and frank. He did not try to soften the hard reality that we as Canadians know to be true. Deficit reduction is painful. Deficit reduction is not politically popular. Deficit reduction affects all Canadians. We obviously want to support and maintain the programs we have in place but we