

*Government Orders*

riding was 3.8 per cent, the same as in Alberta, the province at that time with the fastest growing economy in Canada and the lowest unemployment rate in Canada. My riding was identical.

Today I could not even put a figure on it. Is it 40, is it 50, is it 60, is it 70 per cent? It depends on what you do with all those people who through no fault of their own are not in the boats today, not in the plants today, drawing a compensation package as a result of the moratorium.

This UI issue is very dear to my heart because it does affect some of those people. Contrary to public popular opinion in Ontario, I would say to my friend from Bramalea—Gore—Malton, all the people down there are not on the fisheries compensation package. Many people in Newfoundland ply their trade in terms of forestry and in terms of seasonal construction activity, in terms of mining, in terms of tourism, and so on. These are impacted by unemployment insurance changes as well.

These changes being proposed through this bill are designed to achieve a couple of things. The first is to encourage the private sector to create jobs. We believe firmly in this party that government cannot be the employer of last resort. We believe that government can help create the climate, but it is private industry, including the small business sector, which must create the jobs. My hon. friend from Okanagan—Shuswap agrees. He and I agree on many things and this is one of them. It is the private sector. That is one of the objectives.

• (1315)

The second is to increase the fairness of the system by increasing benefits to low income recipients with dependents. To help create jobs, the bill rolls back the UI premium for 1995 and 1996 to \$3. We believe and we hope this payroll tax relief will encourage business to create jobs.

By the end of 1996 the government expects that there will be 40,000 more jobs in the economy than would be the case if premiums had been allowed to rise to the levels required by the previous legislation.

Those rollbacks have to be accomplished in a way that supports deficit reduction. With this in mind, the legislation proposes measures to reduce UI expenditures by \$725 million in this fiscal year and a further \$2.4 billion annually thereafter.

I submit that these rollbacks in expenditures are being done in a way that is fair so that persons in areas with high unemployment will still be eligible for more benefits with less work activity than people in other regions of the country.

Our package of UI reforms promotes fairness in other respects. It increases the benefit for low income claimants with dependents. As well, the benefit of the doubt will be given to

claimants who quit voluntarily. I have to say that this is an issue that I had a lot of difficulty with when the former administration brought in that change, about letting the axe fall when people quit or were fired because it put employees at the mercy of the employer in a way that they never should have been. This redresses that issue in a way with which I am comfortable.

Let me come to the Canada assistance plan. To help create a positive, co-operative climate for social security reform, the government is providing a two-year period of predictability and modest growth in social security transfers under the Canada assistance plan and established programs financing.

This means that in 1994-95 there will be no new restraint measures applied to either CAP or EPF transfers. The legislation before us today will place a ceiling on subsequent CAP transfers to the provinces, so they do not exceed the current year's levels. This ceiling will remain in place next year pending social security reform the following year.

EPF financing is not affected by this legislation. However, the existing restraint will be maintained. The process of social security reform has a goal of central interest to all Canadians, no matter where they live, to renew and revitalize Canada's social security system over the next couple of years. We will preserve protection for those in need. We will improve incentives to work and we must ensure that the social safety net remains affordable.

Bill C-17 is a key part of the government's agenda, an agenda that includes job creation, deficit reduction and renewal, and reform of our social safety net. Our mandate for this agenda comes from the people of Canada who entrusted us last October to set a new course. We, the Prime Minister and his team, are keeping faith with that trust by listening to what Canadians told us last year.

The recent budget was an important step, an early step, a big step, but just one step in making our agenda a reality. That budget reflects clearly the input we received from Canadians as do the measures in this legislation. That is why I am hopeful that members on all sides of the House will see fit to want to identify with what I believe are a handful of good initiatives, not the whole nine yards. We are not there yet. If we, through the infrastructure program, the youth corps and otherwise can see the jobs generated that we have projected, we will create just a little less misery for people out there, including young people.

• (1320)

If we are going to achieve our goals in terms of deficit reduction to get it under \$40 billion, to have these \$13 billion in savings over the next couple of years, that will go a long way to reducing the drain on our capacity, the drain we are paying out in interest charges, and be able to take that and redirect it to more job creation, to more social program underwriting.