

Government Orders

at the same time it has the right to tell the provinces how medicare should be run.

We have said in the House in question period and through other mediums that the whole format should be changed so that the provinces can react to their own individual needs and circumstances under the economic situation that may prevail in their respective areas of the country.

In the case of unemployment insurance the government does not pay a full share of the cost. It pays none of the costs. Yet it legislates changes which amount to expropriating moneys paid to the contributors, arbitrarily transferring them into certain categories of contributors at the expense of other categories of workers, or to experimental pilot projects as I mentioned a few moments ago.

It is unfair. It is inefficient. It certainly should not continue. This program needs review like every other social program that is the responsibility of this assembly.

The federal government must decide whether it is in or whether it is out. If it wants to continue controlling the principles and the administration of UI programs, and if it wants to continue using UI to perform other social policy objectives, it has a moral obligation to become a full partner in terms of funding the programs.

If the federal government is not willing to assume its share of financing it should relinquish ownership of the programs to employers and employees, the stakeholders who are paying for and should be benefiting from unemployment insurance.

• (1210)

In conclusion, the Reform Party's position is that government should return UI to its original function as a true insurance program and allow employer and employee groups to administer the program. This is not a new idea. Nor is it a radical idea, as I listened to the variety of groups that made presentations to us. It is an approach which both employer and employee groups appearing before the finance committee supported. These grass-roots groups supported the concept the Forget commission recommended to the government of that day.

We should listen to those representations and to what is being said by the private sector. It is time for government to trust others in terms of responsibility, to trust the provinces in terms of meeting some of our economic goals, and to work in partnership. We cannot do it alone. Nor can we take away the funds from those who carry out legislated responsibilities for us, such as provinces, such as municipalities, such as the unemployment commission, and so on. We have a grave responsibility.

I appreciate the time I have had to spend on Bill C-17. As I said earlier even though the Reform Party supports a number of initiatives, because of the omnibus nature of the bill and because we feel the bill and the budget have not presented to us as

Canadians and as legislators a good vision we have an obligation to vote against Bill C-17 at third reading.

The Deputy Speaker: We will now revert to 20-minute speeches.

[*Translation*]

Ms. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am happy to be able to say a few words today on this important legislative measure.

When this government came to office late last year, the economy was stagnant and the public purse was burdened by a deficit exceeding \$40 billion. The government reacted, especially in the recent budget, by opting for a balanced solution to turn the economy around, reduce the deficit and introduce social reform.

Our goal is to substantially reduce the deficit in the current fiscal year while promoting an economic recovery.

[*English*]

The bill we are discussing today, the budget implementation act, 1994, represents some measures the government believes it must take if we are to remain optimistic about the economic future of Canada.

We believe immediate measures are necessary to reduce the deficit. It imposes severe constraints on economic recovery and growth. It imposes severe threats to programs that are important to all of us as Canadians: unemployment insurance, social programs and health services among others.

It is fair to say that all Canadians realize we cannot blindly spend our way out of the financial problems facing us but rather we must do better with what we have. They and we realize that government leadership to create the climate for job generation is an important factor in balancing our books.

With that in mind, I would like to focus particularly on measures affecting Canadians who work for the Public Service of Canada, the RCMP or the Department of National Defence.

Bill C-17 extends the public service wage freeze currently in effect for a further two years. It suspends pay increment increases for a two-year period and enables payments to be made to full time employees of national defence who are retiring under a civilian reduction program.

Solving our fiscal problem required taking more restraint measures in operating budgets. Public service salaries account for a major portion of federal expenditures. The total compensation cost of the government including the military and the RCMP amounts to some \$19 billion. Any measure to control the deficit must therefore take these costs into account. Freezing salaries and pay increments will contribute \$1.5 billion in savings over the next three years.