

cent above employee premiums would increase to \$392 from \$315 per \$100 of insurable earnings.

On November 18, 1991, even before this bill was passed by the House, the federal government announced its intention to raise UI premiums by another 7.1 per cent effective January 1, 1991. That was the second increase in UI premiums since the government's promise in Bill C-21 to freeze rates until 1993. Should anyone be surprised that only 9 per cent of Canadians still believe anything this government says? In any event, this increase is equivalent to a new \$52 tax for the average worker, including the poor. It is interesting that business and labour representatives on the Unemployment Insurance Commission had recommended a one-year freeze on UI premiums. That recommendation was ignored.

Let me try to summarize what has happened to UI premiums: From 1986 to 1988, the premiums paid by employees was \$2.35 per \$100 of insurable earnings. On November 14, 1988, only days before the general election, the government announced that effective January 1, 1989, premiums would be reduced by 17 per cent to \$1.95. This was the happy coincidence I mentioned. But just 5 months later, in April 1989, Mr. Wilson announced in his budget that effective January 1, 1990, premiums would increase to \$2.25.

Senator Frith: That was after the election?

Senator Hébert: Yes, you got that point?

Senator Frith: I wanted to be sure everybody did.

Senator Hébert: This increase was contained in Bill-C 21, which also provided that this new rate would be frozen for the years 1990, 1991 and 1992. But not long after Bill C-21 came into force, Mr. Wilson announced in his 1991 budget that effective July 1991, premiums would increase by 24.4 per cent to \$2.80. That is the increase we are dealing with in Bill C-20. As I mentioned earlier, last month we had an announcement that effective January 1, 1992, premiums would increase by another 7.1 per cent to \$3.

In other words, since the great happy coincidence of 1988, UI premium increases of more than 50 per cent have been announced by this government. I think I will repeat that: In other words, since the great happy coincidence of 1988, UI premium increases of more than 50 per cent have been announced by this government. Employee premiums have gone up from \$1.95 to \$3. During the same period employee premiums increased from \$2.73 to \$4.20. So much for the government's generosity only weeks prior to the 1988 general election. So much for the promise made when urging the Senate to pass Bill C-21, and we all remember that clearly.

We on this side of the house believe that the 1991 budget is a blueprint for the destruction of medicare and quality education in Canada. At a time when provincial governments are eliminating hospital beds and university programs, cutting transfer payments will contribute to further division and bitterness in the country. We also condemn the government for raising unemployment insurance premiums to cover the cost of UI changes contained in Bill C-21. The government made a commitment to keep the UI rates at the same level as in 1990

until the end of 1992. However, they broke that promise, not once, but twice.

In these difficult times one would have thought that the government would have done much better than to ask Parliament to pass into law Bill C-20. Instead of displaying integrity and working to strengthen Canada's foundations, the government introduces legislation that undermines the institutions that Canadians value and takes measures that are in total contradiction to promises so piously made in the past. We, of course, as Liberals will be voting against this latest move to further weaken that which binds Canadians together.

[Translation]

I love Canada deeply. That is why I am sorry for not being able to prevent every bill this government introduces, with a very few exceptions, from contributing to the deterioration of what could be one of the best countries in the world.

[English]

Hon. Royce Frith (Leader of the Opposition): Honourable senators, my colleague Senator Hébert has covered the ground on the four aspects of this bill. I am having prepared some notes on one aspect in particular. I would like to add a few comments on the first category dealing with the Established Program Financing. So I am asking for the adjournment of the debate until Monday, by which time I expect my notes to be ready.

On motion of Senator Frith, debate adjourned.

• (1430)

APPROPRIATION BILL NO. 3, 1991-92

SECOND READING

Hon. John Lynch-Staunton moved second reading of Bill C-47, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending the 31st March, 1992.

He said: Honourable senators, the bill before you today, Appropriation Act No. 3, 1991-92, provides for the release of supply for the whole of Supplementary Estimates (B), 1991-92, amounting to \$1.404 billion. The total spending authority identified in the Supplementary Estimates (B) is just under \$2.3 billion. The difference represents statutory expenditures of \$872.3 million, mostly for the Farm Income Protection Act and the Farm Credit Corporation.

Supplementary Estimates (B) include major voted items of \$423 million to Agriculture, primarily to provide assistance to Canadian farmers and producers of agricultural products; \$263 million to Finance for contributions to countries benefiting from multilateral debt reduction initiatives; \$178 million to Indian Affairs and Northern Development, of which \$127 million is for spending on the Native agenda, and \$50 million for the Green Plan; \$58 million to Transport Canada for the acquisition of Ridley Terminal Inc. shares; \$57 million to Fisheries and Oceans, mostly to cover the Plant Workers Adjustment Program and assistance to self-employed fishermen prevented from fishing due to ice conditions; and \$54