

*Government Orders*

• (1030)

Bill C-113 proposes to freeze the salaries of some 390,000 personnel in the public sector. This freeze will cover the next two fiscal years and is expected to save the government \$800 million over that period. Those affected include the Governor General, the lieutenant governors of each of the provinces and members of the federal judiciary. All federal public servants will also have their salaries frozen, as will the Prime Minister, as will all members of the cabinet and as will all members of the House of Commons and the Senate for a two-year period, as the economic statement suggested. It is interesting to hear the NDP scream about that.

The hon. member over there says: "Do not worry about the deficit. Just print more money and we will get on with the show". That is the old solution of the NDP. It is rather interesting that even the New Democratic leader is now talking about fiscal restraint and cutting the deficit. We are really going to be interested in seeing what she has to offer.

As well, employees of Crown corporations who are dependent on appropriations and not in competition with the private sector will have their wages held at current levels. Crown corporations that are dependent upon appropriations but in competition with the private sector will be funded as if their wages were frozen.

Departmental operating budgets are also being reduced by a further 3 per cent on top of the 2 per cent cut that was taken last fall.

Taken together the wage freeze and the operation cuts mean that the total cost of government will be 5 per cent lower than planned levels over the next two fiscal years. That is a very important element to bear in mind, because we have heard as we go through this very difficult economic period that businesses and companies have had to restructure, families have had to restructure and cut back and clearly, there is an expectation that governments must do the same. Governments at the federal and provincial levels must do the same. They must lower their overhead costs and they too must set an

example. That is precisely what we are doing. Even the President of the United States recognizes that.

**An hon. member:** He is following your example. Even the Prime Minister said that.

**Mr. Mazankowski:** If he follows us and it works as well as it has been working for us, as I have indicated here, he is really on the right track. The only difference is that he thinks he can tax his way out of this particular situation. We have chosen another route.

**Mr. Milliken:** You cannot. You have already done it for the past eight years.

**Mr. Mazankowski:** We are taking advice from a gentleman whose party when we came into power was spending \$1.33 for every dollar's worth of revenue it was taking in. Anyone, even someone in kindergarten would understand that you cannot continue to spend \$1.33 on program expenditures for every dollar's worth of revenue that comes in. That is how sadly they are lacking over there in terms of straight fundamental business acumen.

There is a lot of chattering over there, Madam Speaker, but no concrete ideas. It is rather interesting that when we brought down the economic statement we debated for the equivalent of three or four days to see what they had in mind. There was nothing, absolutely zilch. They said: "Spend \$15 billion on infrastructure". Where were we going to get the money? "Well, you get it from the taxpayers. You get it from the municipal taxpayer, the provincial taxpayer and the federal taxpayer".

**Mrs. Feltham:** Same taxpayer.

**Mr. Mazankowski:** Right. Same taxpayer.

I suppose I should start attacking the NDP government in Ontario. Then my hon. friend and I would agree on that.

I turn now to the changes to the UI act. In the December economic statement we announced a number of measures to stimulate job creation and in this particular area we provided some very positive initiatives.