

The amendment to the Public Service Compensation Act included in Bill C-113 is a dismissal of the International Labour Organization's ruling and a flagrant violation of international labour standards...In the CLC's view the pay freeze is part of the strategy to build up public hostility towards federal workers and government services because of the Conservative philosophy that less government is good government.

Another cornerstone of Canadian nationhood — the public service — is severely eroded. The dismantling of Canada orchestrated by the Tories is an insidious process. Like a cancer, it slowly eats away at the flesh of our country.

• (1540)

The Tory cancer has also spread to the Public Utilities Income Tax Transfer Act through Part II of Bill C-113. The federal government makes annual payments to the provinces of revenues from the income tax of corporations whose gross revenue comes from the distribution and sale of electrical energy, steam or gas to the public in each province. The formula for this payment, which is made from the federal government's Consolidated Revenue Fund, is in accordance with section 3 of the Public Utilities Income Transfer Act. Part II of Bill C-113 would authorize the federal government to retain 10 per cent of tax revenues for the 1993 taxation year, thereby slashing the payment to the provinces by that percentage. Once again, the Conservatives are shifting the responsibility for their economic mismanagement to the provinces. The Liberal Party denounces and decries this unacceptable measure.

As well, we oppose the 10 per cent reduction in transport subsidies imposed by Part III of Bill C-113. This time, the victims of alleged Tory deficit cutting are prairie farmers and Atlantic Canadians — the rich people again.

As I mentioned earlier, Part IV of Bill C-113 contains changes to the unemployment insurance program. The first modification concerns benefit rates. Beginning April 4, 1993, if we vote this bill, rates for new beneficiaries will be reduced from 60 per cent to 57 per cent of insurable earnings. Second, people who leave their jobs without just cause, or lose them because of misconduct, will no longer be eligible for unemployment insurance benefits.

The government has claimed these cuts were needed to stop irresponsible people from quitting their jobs to be supported by the Canadian workforce. Employment Minister Bernard Valcourt even accuses workers of deliberately cheating the system.

The government's claim that the purpose of this bill is to weed out abusers, crumbles upon closer scrutiny. In fact, there

are two kinds of unemployment insurance abuse. First, individuals who receive benefits under false pretences, for example, those who attend school or secretly work while on UI, or those who defraud the system with false claims and other scams. This group, usually referred to as the "cheaters", is responsible for an annual loss of \$200 million dollars, which is to say, less than 1 per cent of the program's expenditures. Interestingly, Bill C-113 does not seek to curtail this kind of abuse — a glaring omission.

The second category of abusers consists of people who receive benefits after quitting their jobs for no apparent reason or being fired for misconduct. This group of quitters is the one on which the government has chosen to concentrate its attack. Quitters have been depicted by the government as those lazy freeloaders who quit their jobs and head for Florida or the ski slopes, while Canadian workers foot the bill.

[Translation]

Once again, the government has found an unjustified pretext. According to a report prepared in 1991 for the Economic Council of Canada, employees who quit are not abusing the system. An analysis of unemployment in 1986 shows that half of those who quit found another job right away, while another 43 per cent took less than ten weeks. One out of five people who lost their job found new work immediately, and 50 per cent of those who lost their job found another one within ten weeks.

The Economic Council of Canada noted that quitters added only 1.5 to 1.7 per cent to the unemployment rate. The figures show that people quit to find a job with better future prospects, not to go and relax in Florida.

Obviously, the reasons invoked by the government to justify this measure do not stand up.

[English]

Already this attack against the unemployed has enraged Canadians. The extent of this bitterness was clearly shown in a massive demonstration, which took place in Montreal last February 7. An estimated 50,000 people took to the streets to manifest their anger against the government. They walked and waited and shouted slogans and listened to speeches for three hours at a temperature of 25 below zero. I know; I was there with other members of my caucus and representatives of other parties. Only two political groups were absent; the Reform Party and the Conservatives.

[Translation]

Clearly, people are justified in protesting this inept legislation. It discriminates against those who resign because of harassment and those who are arbitrarily dismissed. In both