

Government Orders

for example, will be shifting a greater portion of the cost of consular and trade development functions to the prime users.

Therefore the bill includes provision that would authorize the department to levy an additional fee for Canadian travel documents such as passports. As a result of the measure the cost of a regular five-year passport is expected to rise between \$20 and \$30. However, even with the increase, the cost of a Canadian passport will still compare favourably with that of many other industrialized countries.

The measure will help the Department of Foreign Affairs to maintain the high quality consular services it currently provides.

• (1035)

The next area is the public service. The measures I have outlined along with other initiatives arising from program review mark the transition to a more focused, effective and frugal federal government. Such a government will need fewer employees to deliver programs and services.

At the time the 1995 budget actions are fully implemented federal employment is expected to decline by 45,000 or 14 per cent. The government appreciates the valuable service its employees provide. We are committed to managing the reductions in a fair and orderly fashion.

In keeping with the commitment the bill proposes to change the public sector compensation act to allow for an early departure incentive. The incentive can be taken up by as many as 13,000 to 15,000 employees in the departments most affected. We estimate the cost of the program for the public service, the military and certain separate employers and crowns to be about \$1 billion, which will be included in the 1994-95 fiscal year.

Other proposed changes in the act will allow for cost neutral changes to non-salary terms of employment and for certain new kinds of leave. For example, employees will be permitted to take off blocks of time and have their incomes averaged over the year.

In addition, we are proposing amendments to the Public Service Employment Act that will give public sector managers more flexibility in staffing arrangements. This would include, for example, the block transfer of employees with their functions within the public service.

Employees affected by the downsizing who decide not to take advantage of the departure incentives will have a reasonable period of time to find employment elsewhere in the public service, but that period cannot be indefinite. The government simply cannot afford to pay people for not working.

Accordingly the bill also includes amendments to the workforce adjustment directive so that surplus employees in the

departments most affected who decline departure incentives will cease to be paid after six months and will be laid off one year thereafter unless alternative employment is found.

The vast majority of items in the bill are obviously about reducing the deficit. However there is one that relates to financing the deficit and the debt. The bill contains amendments to the Financial Administration Act that will enable the government to efficiently sell debt securities to individual Canadians under the retail debt strategy. The amendments will allow the federal government to offer Canadians improved access to a family of safe and secure Government of Canada obligations.

The proposed amendments include new authority for the government to issue securities without physically printing certificates, thereby promoting more efficient and less costly electronic transfers.

The amendments will also enable government to buy its own securities at the time of issue. This way they can be sold to retail buyers through a special government agency set up for the purpose.

There is one final measure in the bill I should like to mention, locked-in RRSPs. Currently holders of locked-in RRSPs are limited to purchasing life annuities with the funds. In order to provide such individuals with greater flexibility in managing their retirement income, the bill includes an amendment to the Pension Benefits Standards Act that will allow holders of locked-in RRSPs to purchase life income funds.

Today's legislation will play a key role in setting our country on a course to fiscal responsibility and to governmental renewal. The legislation will help ensure that our budget goals are translated into real performance. It draws directly on the advice we have received from across Canada. It focuses on the total economic and social picture before us and addresses the challenges we all face.

The budget and the bill reaffirm the government's fundamental objective of sustaining growth and job creation. They achieve that by meeting the fundamental requirement of restoring fiscal health by refocusing government on priority roles and needs.

In summary, Canada needs and Canadians support the legislation. They have already demonstrated support, and I urge all members of the House to do likewise.

• (1040)

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, thank you for giving us the opportunity to speak again to some elements of the finance minister's budget through Bill C-76, which implements, in particular, three important provisions regarding transfer payments to the provinces, rail trans-