

*The Budget*

that affect the health and safety of all Canadians. This is what we intend to do with the devolution to the provinces.

I trust that following his consultations with the provinces the Minister of Human Resources Development will act swiftly in proposing standards and principles that will see us act along the lines of the Canada Health Act and the standards for administration and national care we see as a nation.

The Canada social transfer will do exactly what we want it to do. We have shown by our leadership as a federal government that we can provide better, leaner and more efficient government. I believe the provinces will rise to that challenge and be able to show us that they can do just as well as we can and as we have done.

I would also like to talk a bit about the changes to the Unemployment Insurance Act that I feel are very important. I believe that one of the key issues of unemployment at the moment is in keeping with our Liberal mandate, which is to get people back to work and keep them at work. If we can concentrate our efforts on employment services and training we will do exactly that.

Those Canadians who feel very vulnerable now because they are unemployed and who are concerned that this will damage their futures should not be concerned because our move is to give them the tools and skills needed to get them back to work, to stay in work and to make us a more competitive nation. We are removing the safety net but we are providing a springboard. I think most Canadians want a springboard.

We are also cutting some funding to the unemployment insurance program. By the fall of next year the funding will be reduced by 10 per cent. This is only funding that is going to be done because of downsizing of administration and because it will automatically come from the lower unemployment rates. As the House knows, we have been creating jobs and have brought our unemployment down by two percentage points, which had not been done over the last 10 to 15 years.

We are also moving to reduce some of the abuse that I hear from all over the country is endemic in the system. That will save us \$200 million.

Furthermore we are looking to do something that is innovative and creative. We are looking to build a \$5 billion surplus in the UI fund so that we do not have to make the same mistakes we made the last time. When the cycles of recession and downturns in the economy come we will have a buffer to start so that we do not have to increase UI premiums and therefore hamstring the businesses that need to grow, to help us to sustain the economy in bad times. This is just common sense.

By maintaining a surplus we will be able to mitigate the rates and help in periods of slow economic growth. It will also help us

to encourage job creation at a crucial time when we are recovering from downturns in the economy.

In addition, I am very pleased to note that throughout the budget the government has remained totally and absolutely committed to a fair and sustainable system of protection for seniors. It recognizes the important contributions that seniors have made to Canada's social and governmental infrastructure.

I have a large seniors population in my riding. They have been very concerned that their pensions would be destroyed in the budget. I am pleased to be able to tell them that the two main pillars of the public pension system, the Canada pension and the Quebec pension plan, the old age security and the guaranteed income supplement will be maintained and improved.

In the budget the Minister of Finance has promised to sit down with the provinces in the fall to review our very shaky Canada pension plan. The Minister of Finance pledged to release a paper in conjunction with the Minister of Human Resources Development to recommend changes to the system to ensure its affordability, fairness and sustainability as many of us baby boomers move into old age.

Finally, the minister is announcing a change in the method of payment of old age security to high income seniors who have been subject to the so-called clawback. This is simply an administrative, common sense approach. If we pay out our benefits to individuals at a time every month instead of waiting until the end of the year to give in and pay back, it just prevents a lot of paperwork. That is the kind of silliness that has been costing so much money in government spending over the last few years.

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The budget has also followed through on our red book promises to maintain fairness and equity in our taxation system. The Minister of Finance has refused to balance the budget on the backs of the poor. Rather it seeks to distribute the onus of fiscal frugality to those who have traditionally not been paying their fair share.

Reforms to family trusts are a good example. I firmly believe that in times of fiscal restraint all Canadians should pay their fair share and not escape through nice old loopholes.

The budget eliminates the cap and justly so for family trusts, changes to the family trust administration and will terminate the preferred beneficiary election for trust taxation years that begin after 1995, except where the beneficiary is physically or mentally impaired. Again the government has done a sensible thing with compassion so that we will not harm those who are most vulnerable.

I recognize that family trusts have many valid non-tax objectives such as helping with succession planning, but these changes ensure that family trusts will not be used to defer capital