

Government Orders

I want to conclude with a statement from the Conference Board of Canada which clearly describes the economic measures in this bill and in the December mini budget statement by the Minister of Finance. It says: "The over-all impact of the measures will be slightly contradictory, lowering real GDP growth by roughly 1.1 per cent in 1992 and .2 per cent in 1993".

In other words, the recovery we are hoping for this year will be diminished by 10 per cent. Why do I tie that directly to this bill? I do so because the Conference Board of Canada said that consumer spending will be hardest hit as the most important cost-saving measures were cuts in unemployment insurance benefits and a freeze on Public Service wages. Those are exactly the two issues we are dealing with in this bill that is before the House today.

Contradictory and counterproductive is how the Conference of Board of Canada described these measures. It also went on to say: "Further, given the pressure on provincial government finances, partly caused by this government's cuts in transfer payments to the provinces, ceilings on transfer payments and increased dumping of people who are out of a job onto the welfare system, not the UI system"—and we see it happening again today—"if wage freezes are also imposed at the provincial level, and particularly if they extend into the schools and hospitals, this would again further substantially reduce purchasing power in 1993 generating lower growth than is currently forecast".

At a time when the people of Canada are trying to come out of a recession and are trying to reduce the more than five million Canadian men, women and children who are suffering the effects of unemployment, this government is introducing budget measures to dampen that recovery. We will be voting against this bill and I encourage others to do so as well.

• (1720)

[Translation]

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, I have a question for the hon. member for Ottawa West.

Clause 17 in part IV of Bill C-113 says "an amount equal to 57 per cent of the claimant's average weekly insurable earnings". We know that if someone earns

\$500 gross per week, 60 per cent of that is \$300. As of April 4, the same person earning \$500, with a 57 per cent rate will, according to the chart that I have, receive \$285.

Can the hon. member tell me if it is acceptable that a man who has a wife and four children will now lose \$60 per month of his purchasing power? Does the member agree with this bill and the rate going from 60 to 57 per cent, especially in the case of a family?

Mrs. Catterall: Madam Speaker, I believe I clearly indicated I do not agree with this legislation.

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, I want to congratulate the hon. member for Ottawa West, who is the Liberal critic for the Public Service. I have the honour of being her assistant on this issue. She always shows sensitivity toward civil servants, something I have seldom seen from the present federal government.

The member for Ottawa West referred to the insufficient salary increases and the detrimental effect this could have on the economy in general and on families in particular. A chart shows that over a four-year period, salaries in the private sector have increased by an average of 3 per cent while the salaries of public servants have gone up by an average of 0.75 per cent per year. On average, salaries in the private sector have increased 400 per cent more than in the Public Service.

I would like to give my colleague from Ottawa West an opportunity to comment on the fact that there seems to be a double standard. On the one hand, the government appears to want to help major companies and on the other hand, it takes advantage of its employees and uses them to supposedly control the national debt.

[English]

Mrs. Catterall: Madam Speaker, in the time I have been in the House the national deficit has been used by this government as an excuse for literally every measure it has undertaken. It is punitive and it hits those with the least income who are least able to pay the freight.

I have now sat through four budgets and what do I see? I see a debt that keeps increasing. I see the amount we are paying in interest that keeps growing.

In my view what the economy needs is more jobs. Quite simply, that is why we have an unemployment