

Those who disagree with this legislation, honourable senators, should remember that every Canadian has a part to play in restoring a healthy economy. I do not think it is fair to let benefits go up while, because of the current difficult economic situation, the federal government must freeze its workers' salaries and while employees from many private companies accept pay cuts in order to keep their jobs.

I recently read something which might give Senator Corbin some food for thought: "The unemployment insurance program delivers 54 per cent of its benefits to families whose incomes are above the national average". So that's nothing to cry over.

I would now like to deal with regional transportation subsidies. With this bill, payments made under the Atlantic Region Freight Assistance Act and the Maritime Freight Rates Act will be reduced by 10 per cent over the next two fiscal years. These payments are to cover the costs associated with shipping certain freight to the four Atlantic provinces as well as to the Gaspé area in Quebec. This cut in transportation subsidies will allow government to save some \$10 million each year.

This measure does not result from a deliberate decision to hit specific programs. It is, rather, a 10 per cent reduction across the board of government contributions and subsidies announced back in December. Also, government is ready to work together with the groups affected by this measure to ensure that savings are made through the most appropriate and efficient means. I would also like to remind my colleagues that, to a large extent, this government is subsidizing investments in the transportation infrastructures of Atlantic Canada. In so doing, it seeks to better target spending so as to create new jobs and ensure long-term economic activity in that area.

Then, Bill C-113 proposes a new formula for federal payments under the Western Grain Transportation Act. The rate-fixing formula will be changed in order to reduce federal spending by 10 per cent during the 1993-94 and 1994-95 crop years. Savings over that period are estimated at close to \$73 million a year.

Again, the purpose of this measure is not to impose an unwarranted burden on a region or a sector of activity in particular in order to decrease the deficit. Even if there have been reductions in many sectors, the farm revenue safety net in Canada is one of the main sectors the government has spared in its budgetary cuts, the others being veterans and old age pensions, training programs and programs for the handicapped.

We know these are hard times for farmers, and I can assure this house that the government will not waver in its

commitment to assist the agricultural sector. According to the latest statistics, between 1985 and 1992, the federal government has provided \$17 billion in direct assistance to Canadian farmers.

Finally, this bill proposes that the amounts to be paid under the Public Utilities Income Tax Transfer Act be reduced by an amount equal to ten per cent. That act provides for the transfer to the provinces of 95 per cent of the federal income tax collected from privately owned electric and gas utilities.

The February 1990 and February 1991 budgets had frozen those transfer payments at the 1989-1990 levels. However, that measure did not allow any savings, since the payments made for the last two fiscal years have been well below the fixed ceiling.

It would not be fair, honourable senators, to exempt payments made under this act when there are cutbacks in almost all other government programs. Consequently, the government has decided that a slight reduction was necessary. This measure will allow savings of some \$24 million in 1993-94 and \$25 million in 1994-95.

In closing, I want to say that the government would rather not have to restrain expenditures in areas such as unemployment insurance and transport subsidies. It does not take pleasure in freezing the salaries of public servants as well as elected and appointed representatives. Those measures really affect people, and the government is well aware of that. But the stark reality is that Canadian governments can no longer live beyond their means. We have to take the necessary measures in order to control the debt resulting from decades of overspending.

By implementing the measures proposed in Bill C-113, we will do what is necessary to control the debt, which is the reason why these measures are so necessary, and to try to reduce it eventually. Honourable senators, this is an essential step towards sustained economic success, which Canadians want and deserve.

Hon. Norbert L. Thériault: Honourable senators, we just heard the bible of the Conservatives according to Senator Bolduc. It is their philosophy that the weaker people are, the poorer they are, the more the government will hit them.

Honourable senators, in 1990, the government passed Bill C-21, which was the beginning of the dismantling of the best unemployment insurance program in the world. The government had claimed in 1988 that Bill C-21 would enable us to make all the savings necessary to stabilize the unemployment insurance program. In 1990, we said to the government "If it ain't broke, don't fix it".