

Mr. Speaker, I wish to stress the importance of consultation with and full participation of workers in the economic recovery process. Although job creation will be a major factor in restoring the worker confidence, it will be useless if the old attitudes and confrontation tactics do not change.

If, as employers and workers, we try to take more out of the economy than we put in, our country's return to prosperity will be threatened and the economy will again be subject to inflationary pressures. Consequently, as Minister of Labour, I am pleased to see that we are phasing out the 6 and 5 program. The program has done the job it was intended to do. It has brought our inflation rate down from 12 per cent to 5 per cent, an accomplishment that has opened the way for new productive investments. However, the 6 and 5 program has not always been smooth sailing, especially for Canadian workers. I feel that new controls would only cause serious disruption in our economy. Once the 6 and 5 program is phased out, we shall, I hope, be able to turn over a new leaf and improve relations between workers and business.

● (1120)

Once the 6 and 5 program is terminated, collective bargaining in the private sector will not necessarily be tough, but it will be a serious matter. However, I am confident that all those who take part in the collective bargaining process will act responsibly, bearing in mind the responsibility they share for the Canadian economy and the general well-being of all Canadians, and refrain from any unreasonable disruption of labour-management relations through sterile and frivolous disputes.

Our present economic recovery must be kept growing. We cannot make excessive demands on this recovery, either collectively or individually, without endangering the economy in the long run. A sustained and strong recovery is our only chance of achieving the legitimate economic goals we all share, that is, job security, maintaining and enhancing our purchasing power, and constantly strengthening our competitive position, both on national and international markets. We have resolutely crossed the threshold toward a period of rapid development in technology and industrial relations. Refusing to take advantage of what modern technology has to offer would have disastrous consequences for the Canadian economy. One of the tangible contributions being made by the Government of Canada towards bringing labour and management closer together is the Employment Profit-Participation Plan, proposed by my colleague, the Minister of Finance (Mr. Lalonde), in his Budget Speech.

This plan is designed to bring workers and employers closer together, but it is certainly not intended to complement or replace the collective bargaining process. This plan should on no account be considered a substitute for collective bargaining. In fact, the Profit Participation Plan being proposed would provide a tax credit of 10 per cent of the profits shared under

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the plan, with 60 per cent of the tax credit going to employees and 40 per cent to the employer. I know the initial reaction of the unions to this announcement was mixed, which is not surprising, since the unions have always seen such plans as a plot to draw employees closer to management and, occasionally, to keep unions out.

I therefore want to make it quite clear that this is certainly not the Government's intention, and, although I may be repeating myself, what the Government supports is establishing an equal partnership and respect between workers and business. Details of how the plan will work were not given in the Budget Speech, since we intend to work these out with labour and management. In keeping with this concept, the Government intends to continue its consultations with business leaders and unions, in order to discuss the Profit Participation Plan in greater detail. We are particularly anxious to seek their views on the format and implementation of such a plan. To that end, I intend to consult in the coming weeks with leaders of Canada's major labour and business associations. I trust we shall be able to establish a plan that will be beneficial to all.

Mr. Speaker, I shall, if I may, repeat what was said in the Budget Speech, and I quote: "The Employee Profit-Participation Plan is designed to complement the collective bargaining process, not replace it. Experience has shown that to succeed, profit sharing cannot be a substitute for competitive wages". There is certainly no mention of forcing the profit sharing plan on workers. Another quote from the Budget Speech: "Any company wishing to establish a plan must form a labour-management committee. The details of the plan will have to be agreed on by both workers and management."

● (1125)

Pension reform is another Budget item that should be of particular interest to Canadian workers. The benefits deriving from a new partnership relation between workers and business must be shared equitably. We must therefore ensure that retired workers are able to live in comfort and dignity. For a long time, labour groups have been criticizing the deficiencies of the existing provisions of the Pension Plan. The proposals contained in the Budget will make our Old Age Security plan—and I have no hesitation in saying this—one of the best in the industrialized world. To start with, legislation will be introduced by my colleague, the Minister of National Health and Welfare (Mrs. Bégin) to increase the maximum payment under the Guaranteed Income Supplement by \$50 a month. This raises the guaranteed income for elderly single individuals, that is, those who need help most in Canada today, to more than 60 per cent of the amount paid to couples, as recommended by many business, labour and women's groups.

Other provisions will provide protection against inflation for future pensions and will assist mobility by ensuring that employees acquire rights to their pension benefits after two