

For the past eight, almost nine years, the government's policies have seriously undermined our own social programs; we have left the poorest countries of this planet to fend for themselves and we have passed legislation on refugees that is very similar to that in other rich and self-centred countries.

The big excuse for all the regressive measures taken by the Mulroney government in the past eight years is that they would help put the government's finances on a sound footing. Guess what: In 1984, the deficit was 38 billion, and it is still over 34.4 billion in 1993. The national debt doubled under the Conservatives, rising from 168 billion in 1984 to 432 billion in 1993.

Instead of keeping interest rates at levels comparable to those in the United States, which has traditionally been the policy of previous Canadian governments, the Conservatives chose to maintain them well above those levels; in other words, at 4 percentage points more than U.S. levels, which made for a soaring deficit and debt.

According to a study by Erni Stokes for *Canadian Business Economics*, if the difference between interest rates in Canada and the United States had remained at two percentage points between 1988 and 1991, the deficit for 1991 would have been \$4.3 billion instead of \$29.8 billion. This is incredible!

Clearly, the debt is only an excuse to cut social programs whose very existence is considered an anomaly by the Tories; a Liberal pest that must be exterminated at all costs.

If the government was really serious about controlling the debt and the deficit, it would avoid measures like Bill C-92. The purpose of this bill is to extend the life of a tax shelter for trusts that will deprive the government of hundreds of millions or even billions of dollars of revenue. Originally, these special privileges were supposed to last only 21 years. After that, beneficiaries would have to pay tax on the incremental value of the items in these funds. The 21-year period expired on January 1 this year. The government is now proposing to extend the tax relief up to the death of the last member of the family that owns the trust, which in some cases could be 70 years or more. According to an article by Duncan Cameron that appeared in last December's *Canadian Forum*, the value of these trusts is estimated at about \$70 billion. Billions of dollars tax free! A number of wealthy people will become even richer, without too much trouble!

The sad story of Canada's disintegration continued with the wholesale deregulation of the air transportation industry; the dismantling of VIA Rail; the two constitutional disasters engineered by the Prime Minister; a poorly negotiated Free Trade Agreement; the GST nightmare, and cutbacks in federal transfers to the provinces in a number of areas, including education and health care: All this at a time when the

unemployment rate has reached 11 per cent across Canada, 13.2 per cent in Quebec and 14.2 per cent in Montreal.

After this enormous waste, what else can Minister Valcourt think up, with his reputation for endless compassion? A poor excuse for a bill that was cobbled together at the last minute: Bill C-113.

[English]

● (1530)

As a result of Tory incompetence, 1.6 million Canadians are out of work, and another two million are forced to rely on social assistance. The Opposition has summed up the situation succinctly — instead of attacking the problem, the Tories are attacking the victims. Indeed, the expression is now commonplace.

Introduced to implement some of the expenditure restraint provisions of the Finance Minister's December economic and fiscal statement, Bill C-113 is an omnibus bill comprising four parts. It includes public service salary freezes; a 10 per cent reduction in tax transfers to the provinces; a 10 per cent cut in government payments under the Atlantic Region Freight Assistance Act and the Western Grain Transportation Act; and a reduction in the benefit rate and an increase in penalties for those disqualified under Section 28 of the Unemployment Insurance Act.

Although the Liberal Party's principal concern with this bill pertains to Part IV, I wish to highlight our opposition to the other parts as well.

First, Part I of this bill continues the assault against federal employees which began with the 1991 budget. As honourable senators will recall, the salaries of public servants, MPs and senators were frozen by legislation in 1991. At that time, the average earnings of government employees were only \$30,000 a year. The earnings of civil servants had been below those in the private sector for over five years, and they had not kept pace with inflation over the same period. Civil servants have already been penalized by the government, and this legislation will pour salt onto the wound by extending the 1991 wage freeze through 1994.

As a result of the 1991 wage freeze, the Conservative government was condemned by the Public Service Staff Relations Board for bad-faith bargaining. Moreover, a few months ago, the International Labour Organization, a member body of the United Nations composed of employers, employees and government representatives, condemned the Government of Canada for its failure to bargain with its employees.

The Canadian Labour Congress summed up the situation very well in its brief concerning this legislation: