

*Government Orders**[Translation]*

Mr. Speaker, since it took power in September 1984, inheriting an enormous debt, the government has adopted more of a private-sector management style. Nevertheless, we note that although the government has greatly improved its efficiency, it is still running a deficit.

Had we granted a pay increase to our employees this year, we would have faced the following choice: either we would have had to eliminate jobs to pay for this increase, which would have reduced services to the public; or we would have had to borrow more, which would have added to the deficit.

*[English]*

This government chose the best interests of Canada over the immediate financial interests of its employees, but not without giving it a great deal of consideration. If this had been almost any other employer, you can bet that many employees now facing zero and three would have suffered the same fate as their counterparts in industry.

I must remind hon. members that over the entire course of the recent five-year downsizing program, our employees enjoyed a 99.5 per cent rate of job security within the Public Service. Public Service employees enjoy an invaluable job protection package and their total benefits package is comparable to that of good employers in the private sectors.

While zero per cent this year and a 3 per cent raise next year may sound harsh to those who now have a job, our employees should remind themselves that there are approximately 40,000 candidates prequalified and interested in being hired for jobs in the federal Public Service. There were 236,000 applications for Public Service jobs last year alone, a number equal to the size of the entire Public Service itself.

Clearly, there are a great number of Canadians who would like to have a chance to have a Public Service job, even with no wage increase this year.

They should remind themselves, as well, that Public Service managers by losing their performance pay this year, will suffer an actual pay cut rather than just a freeze. This comes at a time when their ranks are already undergoing a 10 per cent cut over two years, proportion-

ately a far more severe downsizing than employees in general went through over the past several years.

*[Translation]*

I must admit that many of our employees, in particular those who have the legal right to strike, do not earn big salaries. Many of them have significant family responsibilities and have already been sorely tested. Unfortunately, the strike will only cost them more, but I think that the time for reconciliation has come.

I therefore ordered my officials at the bargaining table to make every possible effort to reach a negotiated settlement with the Alliance, one that would strengthen or improve existing benefits while respecting the overall program of salary restrictions.

Mr. Speaker, I think that what we agreed on was in keeping with our ability to pay. Furthermore, we did all we could to follow up their other concerns: pay equity and issues related to job security. We offered a lump-sum payment to employees whose income was less than the average salary in Canada. We increased the number of day care centres in the work place by 50 per cent. We also improved other benefits.

In addition, Mr. Speaker, four other unions have already reached agreements with our negotiators and these agreements comply with the salary policy of 0 and 3 per cent, which clearly shows that a settlement was possible.

Mr. Speaker, in the end, we were unable to reach a negotiated settlement with the leaders of the Public Service Alliance of Canada. They left the bargaining table and broke an agreement I had made with the President of the Alliance whereby members of the Public Service Alliance of Canada would remain at work while negotiations continued. The Alliance leaders rejected the improvements contained in the offer I just described and did not submit it to their members. Instead, they chose to send their members back out on the picket lines, which in many regions has disrupted the access to work of most public servants.

The disruptions caused by the picketing are again threatening the safety of all Canadians. The Alliance's activities are endangering the safety of our own employees on the picket lines—not only Alliance members but also members of other unions, managers, customers