

Government Orders

government reduce its spending and that it take other measures to restore confidence in the Canadian economy.

We have also been asked to set an example, to get our own house in order in order to improve Canada's position and to help ensure in the future that we will be competitive, which will eventually result in more jobs for everyone in the country of Canada. Our response has been decisive but I believe it has also been balanced. We are determined to achieve maximum over-all improvement and to protect the interest of taxpayers while we reduce the effect on the individual employee.

That is why in the February budget speech the government announced the tough but vital package to cut the cost of its programs, to reduce the deficit, to reduce the rate of inflation, to create jobs and to create and to improve Canada's competitive position. These measures included a freeze on the operating costs of government, plain and simple. As a result salaries of employees, managers and federal services are being frozen this year. Salary increases will be held to 3 per cent this year and 3 per cent the following year. Salaries have also been frozen for the Prime Minister and his ministers, and MPs will shoulder their share of the burden as well with no increase next year.

The government's actions send a very strong signal to other levels of government and to other employees and employers that government will control its own spending and that we together can keep inflation down. In fact, other sectors have accepted this signal. Since the budget, seven provinces have also introduced wage restraint measures.

Taxpayers across the country want to see the country's financial house in order and they can see that the budget measures are beginning to benefit all Canadians.

Though unemployment levels are not yet reduced to acceptable levels, as the recent lay-offs at the airlines will certainly attest, we have made some progress. Interest rates are down, housing starts have showed a healthy increase this spring, business investment is up,

use of plant facilities is up and trade figures are improving.

I understand that some public servants and their unions find this wage restraint program very difficult to accept. It is not a question of what individuals deserve. It is a question of what we have to do. I believe that the majority of public servants are dedicated individuals with families to support like the rest of us, but they understand these measures are necessary. Unfortunately, zero per cent is all the taxpayers of Canada can afford this year.

I know that federal public employees live in the real world. They pay taxes just like everyone else. I am convinced that many of these, if not their union leaders, realize and can accept why the government has had to take these tough measures. They know that these are temporary but necessary measures to control the government's wage bill and that bill of course is borne by all taxpayers including public servants and they know that it is important to help us reduce the deficit.

Most federal employees know that they already make a relatively good living as well.

• (1630)

I do not want to overstate it, but public employees work in safe environments, they have good pensions, they earn more on the average of \$33,000 a year than most Canadians at \$27,000 a year, and they enjoy a large measure of job security. There have been only 1,500 involuntary lay-offs in the work force of the Public Service out of about 315,000 employees. Despite the five year downsizing program that this government has been engaged in, I think that is a pretty good record.

I think hon. members would agree that few employees anywhere have better job opportunities than they have in the Public Service. Without fear of exaggeration I dare say that a million and a half out-of-work Canadians, including those who have recently been laid off at the railroads, would gladly trade a zero per cent increase this year for a job.

This is a very desirable place to work. Close to a quarter of a million Canadians, in fact 222,000, applied for jobs in the federal Public Service last year. That is a