

of employment. We will bargain for settlements that do not exceed the private sector in compensation for comparable jobs; and we will bargain for settlements that encourage increased productivity and improved performance and recognize relative job responsibilities.

Therefore, while there are no hidden numerical pay guidelines, we will apply these four principles which are not only fair but are, I believe, consistent with what the public expects of the Government in its settlements with its own employees. In this regard the Government has no intention of making catch-up payments to its public servants. This is because other sectors have indeed followed the federal wage restraint initiative, as the wage adjustment figures so clearly show. The guaranteed wage increases of 6 per cent and then 5 per cent for federal public sector employees mean that these public servants have not lost out relative generally to other wage earners in Canada. Now the Government will bargain compensation with its employees in a fiscally responsible manner. We will not agree to increased wages to the point where upward pressure is put on inflation or where revenues, in addition to those provided for in the fiscal plan, must be sought through increased borrowing or taxation or through the diversion of funds from other programs in order to meet higher public sector payroll costs.

The Government has indicated its willingness, Mr. Speaker, to ask Parliament to legislate wage settlements in those specific cases where there are excessive arbitral awards, or excessive settlements by federal Crown corporations, or where federal public sector strikes may be damaging to the public interest because of their lengthy or disruptive nature. This recognizes the Government's ongoing responsibility to protect that public interest. The Canadian people generally, and I hope the public sector unions and their members will understand this responsibility and necessity.

The principles for collective bargaining with the federal Public Service set out in the Budget are fair and reasonable, and I believe that federal public sector employees, their unions and the Government itself will act in such a manner that the intervention of Parliament in the process of determining compensation will seldom, perhaps never, be necessary.

The public expects the federal Government, in fact all governments, as well as public sector unions, to strive responsibly to meet the challenges inherent in the resumption of collective bargaining. The public has expectations about the level, quality and continued delivery of government services. It expects value for tax dollars and it expects the public sector, both federal and provincial, to play its part in the restoration of the country's economic health.

I should add that I will be undertaking consultations with labour and other interested groups on possible proposals to amend the Public Service Staff Relations Act. This Act governs collective bargaining in the federal Public Service and has not undergone substantive change, if any, since it was first proclaimed in 1967. We would obviously have some suggestions from a management and a government point of view and I am sure the bargaining agents would have theirs. My objec-

tive is to have meaningful dialogue on the matter with unions and others who want to make their views known.

• (1125)

Borrowing Authority Act

It would not be helpful to speculate at this time on what might or might not eventually be proposed to Parliament on this subject. I would like to have an approach which involves a collective bargaining system in the federal Public Service operating to the mutual benefit of public servants and Canadians generally.

[Translation]

Mr. Speaker, the substantial progress we have made as a nation, fighting together against inflation since 1982, is not entirely due to the 6 and 5 program. However, the program did make it possible to focus the efforts of all Canadians on working towards a more competitive and less inflationary economy. We must not lose what we have gained with considerable effort.

[English]

To conclude, Mr. Speaker, we must strive to make further headway in reducing inflation and increasing productivity, economic growth and jobs. For this purpose the Government has decided to build on the positive results of the six and five program. Therefore we have introduced a new program with a 4 per cent price guideline and with four principles for achieving reasonable public sector wage settlements. I call upon all Canadians to continue to follow the leadership of the federal Government and to work together to achieve our shared goals for the well-being of the Canadian economy.

Mr. Blenkarn: Mr. Speaker, the Minister's remarks would be much more credible if he stayed within that 4 per cent guideline in his estimates. It makes one wonder when we see his estimates rising year after year and when we see all his previous ceilings broken in his current supplementaries.

The Minister is responsible for the Treasury Board and in his period of responsibility Canadair has received approval for \$750 million from him. Before any of that money was given he had a complete outside report with respect to that corporation indicating major changes which would have to take place. He gave the corporation \$200 million in 1982. This year he has provided the corporation with a total of \$550 million in his various supplementaries.

Why has the Minister not insisted on a concrete plan of reorganization of that corporation? According to the senator involved in the corporation, the Minister's colleague in the Cabinet, the concrete plan is not going to be available until after March 31. As President of the Treasury Board, how can he possibly authorize \$750 million to Canadair and, I might add, \$500 million to de Havilland, without a reorganization plan which was demanded in October or November of 1982? That plan has been promised by Senator Austin on three occasions. On the last occasion he promised to have that plan in place by September of 1983. That plan is still not in place and will not be available until after March 31. How can the