

Government Orders

levels are women. It is of course at these levels that a wage freeze has the greatest impact.

That is one reason I am proud to say the President of the Treasury Board has already initiated discussions with the two largest unions representing those employees in female dominated categories of work to explore ways of resolving the pay equity issue. For many years outstanding pay equity complaints have been making only slow and painful progress through the human rights tribunal process. We would like, if at all possible, to work with the representatives of the employees to settle these complaints by negotiation, thereby improving the economic status of more than 60,000 employees in female dominated groups in the public service.

For the first time, public service unions were involved in prebudget consultations, as were many other Canadians. We realize the period of time for these consultations was short. We realize the amount of impact they could have on the budget was limited because of that. We will in fact be conducting those consultations much earlier in the process for the 1995-96 budget.

Many proposals made to us in these consultations by the public service unions and by others were implemented in this budget or are being reviewed for possible implementation in the 1995-96 budget. It is worth mentioning a few.

Corporate profits transferred out of Canada that were not previously subject to taxation will now be subject to taxation in Canada. The capital gains tax exemption is being removed. Tax deductions for business meals and entertainment have been cut to 50 per cent. Operating budgets were reduced to reflect our government's red book commitment to reduce spending on contracting for professional services.

As far as items proposed by our unions and by others to be reviewed for possible inclusion in the next budget, among them I include such things as RRSPs and their role in providing for the future of Canadians, and the taxation of family trusts.

• (1225)

The other message we got very loudly and clearly from the unions representing government employees was do not roll back wages, do not enforce unpaid leave, do not lay off. That is why this government has renewed its commitment to the workforce adjustment policy.

This policy was negotiated with the unions and has been in effect. The previous government threatened to legislate this policy out of existence. We have said quite clearly that we are committed to the workforce adjustment policy. Changes we might want and changes the unions might want are now being

negotiated. Any changes will be subject to agreement at the bargaining table.

This government recognizes and values the important role members of the public service play in the governance of the nation. Without them, no law, no policy, no program we approve in this Parliament can be implemented. They keep our food, our skies and our borders safe. They perform needed research, provide rescue operations at sea and deliver pension cheques to millions of Canadian seniors.

Our government intends to restore the relationship of mutual trust with the public service. Both unions and managers will be involved in the broadest possible dialogue on matters of concern to them as our employees and as our partners in delivering quality, efficient and cost-effective services to Canadians.

In closing, I would like to emphasize that this government recognizes these measures are difficult but are necessary as part of a number of measures to control public spending. They are necessary to maintain both employment security for our employees and quality service for Canadians.

Recovery must start somewhere and these measures are only part of that recovery. If we are to meet our objective of a deficit which is no more than 3 per cent of GDP by 1996-97 then all Canadians, public service employees and ourselves included will have to realize that our future prosperity depends on the action we take today.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I am very surprised to hear the hon. member who just spoke touting the benefits of such a direct, sneaky attack in one of its first pieces of legislation; it is sneaky because the Liberal Party never talked about it or discussed it in the election campaign.

She is taking a completely different line than the Liberal members took when they were here in the opposition and the Conservative government attacked federal public servants and the whole federal policy and administrative machine through legislation.

Suddenly, they only see benefits in a measure announced by the Minister of Finance. That measure is devoid of content or any long-term vision; it just sets up 22 committees to study this and that, but when it comes to public servants, they are hit hard. Their salaries are frozen much more drastically than under the Conservatives, because pay increments are also frozen. This means that someone who works at a certain level, gains experience, wins a competition and advances to a new position keeps the same salary, even if the level changes. That is incredible.