

*Routine Proceedings*

[Translation]

The budget cuts spending. It demonstrates that we will continue to reduce the deficit and continue to meet our fiscal targets.

[English]

The budget focuses on the need to cut government spending and to improve the economic climate so that job creation can flourish. The program review is a central part of the budget and a key element in our jobs and growth agenda. The government launched the review to pinpoint the programs and services that are no longer useful or that could be delivered more efficiently or effectively by others.

We have seen the results in the budget reducing the federal role in some areas and highlighting the programs and services that other levels of government or the private sector could provide.

By 1997-98, and this is important, departmental spending subject to the program review will decline by some 19 per cent relevant to 1994-95 which is very key in our meeting our deficit target of 3 per cent of GDP in three years and of course going beyond that.

I will give some examples of how the government is implementing the program review in an environment of declining resources. First, the government will focus on its essential responsibilities. For example, Transport Canada will concentrate on developing policy and legislation and setting and enforcing standards for safety and security. As a result some of the department's activities such as its air navigation services will be commercialized. In addition, transportation subsidies will be reduced or eliminated and the remaining operations will be made more efficient.

Second, the government is reducing federal and provincial overlap. For instance, Fisheries and Oceans Canada will negotiate the transfer of its freshwater programs with the provinces and concentrate on conservation and the sustainable use of the fisheries and oceans and other resources.

Third, the government will use new technology to become more efficient. As an example, Environment Canada will automate its atmospheric environment services. The department will also be looking into providing weather services in a more effective and efficient fashion.

Fourth, we are promoting self-reliance by shifting away from direct subsidies to business. The regional agencies will move from direct subsidies to providing loans with more emphasis of course on small and medium size enterprises.

Fifth, the government will recover its costs by charging or increasing service fees to those who benefit directly from them, a move that is fair to taxpayers in general. Such charges include

fees for immigration, agricultural inspection, drug testing and drug certification.

Sixth, we will merge similar programs for more efficiency. For instance, Fisheries and Oceans Canada and Transport Canada will take steps to integrate the coast guard and fisheries surveillance fleets.

What I have just outlined shows that we did not shy away from tough decisions. We are focusing on the key functions of the federal government and we are going to get them right.

• (1015)

Inevitably the transition from trying to be all things to all people to offering Canadians fewer but high value programs and services will mean a smaller federal workforce. As a result of reshaping the government and the transfer of some functions to other sectors, the government will reduce the public sector workforce by as many as 45,000 jobs over the next three years. That is the largest workforce reduction by the federal government since it returned to peacetime operations after the second world war.

[Translation]

I have announced a program of options that will help employees to move successfully to new lives outside the Public Service. This program, which is comparable to private sector plans, will be fair to employees as well as fair to the taxpayer.

[English]

It will allow us to make the program changes and meet the fiscal targets in the budget. For the remaining programs and services the government will provide services that balance the interests of taxpayers with those of the clients who are receiving them. It will seek cost effective ways to deliver quality programs and services that improve service and efficiency where it can.

Across the government, departments and agencies are responding to the challenge of innovation. The results of the program review and the initiatives I mentioned demonstrate that government is intent on being more efficient and focusing its energies and resources where they are most needed while living within its means, and that means what Canadians can afford. We have a very dedicated professional public service I know can deliver those services.

The government is committed to fiscal responsibility. We will continue to manage changing priorities by reallocating resources. The overhaul of the expenditure management system that I announced recently will help departments adjust their programs to operate with their reduced resources. It will also provide parliamentary committees with the information that they require to carry out their mandate to examine the future year expenditure plans and priorities of the various departments and agencies.