

Government Orders

finances and also to make necessary spending reductions in an orderly way. The program review actions in the budget only start what will be an ongoing process of reform and renewal of the federal government.

Clearly, as announced in the budget, these results will have a major impact on the public service. All regions of the country are affected by the cutbacks and reductions. This is no less true for the national capital region. I want to say that as the Minister responsible for Public Service Renewal and as a member of Parliament in the national capital region, I am particularly and acutely aware of the difficult period many public servants across the country are going through at this time.

The departure of employees who over the years have demonstrated loyalty, professionalism and dedication is the most painful part of any restructuring process. Decisions that affect people's livelihood are the most difficult to make. Departures are never easy. Let me reiterate this government's commitment to deal with employees in the fairest and most sensitive way possible. We will continue to work with the unions and local governments to ease the transition. We hope to keep layoffs and the number of employees on unpaid surplus status to an absolute minimum.

Some individuals will be accommodated through normal attrition. Some will take advantage of the departure and early retirement incentives announced by the President of the Treasury Board. Some individuals will transfer to the private sector as some operations are being privatized. Others will find work in the private sector. No doubt there will be a period of change and uncertainty as we move to what I firmly believe will be a revitalized public service in the coming years.

[Translation]

I deplore the fact that the representative for the Outaouais region, Mr. Blais, and some members of the opposition are misleading the local population and are creating more uncertainty. They are proclaiming that the budget cuts 14,000 public service jobs in the Outaouais region.

In fact, the total number of jobs that will be affected in all of the national capital region, on both sides of the river, will be 12,000 to 13,000 over the next three years. This means, therefore, that the real number of public servants in the Outaouais region that will be affected is more like 3,000. I cannot accuse them of telling untruths, since the difference between their current claims and the true figures is only one job to five, which is about par for them.

I am happy that regional players, including Hull mayor Ducharme and Outaouais urban community president Croteau, have taken a clear, credible and realistic stand on this budget.

With the various measures I mentioned and the co-operation of the private sector and all economic stakeholders in the region, we will manage to minimize job losses while at the same time diversifying the region's economy.

As the member of Parliament representing Hull—Aylmer, I have had the privilege of rubbing elbows with people of this area. I was able to observe how imaginative they are and how enthusiastically they tackle new challenges. I want to salute their courage in these tough times.

The budget is further proof of the flexibility of federalism; it is not stuck in status quo. The budget stresses our commitment to provide the people with good government in Canada. And this entails the challenge of bringing the deficit down and streamlining government. As part of our commitment, no region will be receiving preferential treatment nor be subjected to more cuts than the others.

• (1045)

The new Canadian social transfer combines into one lump-sum transfer three formerly separate transfers, thereby lightening the administrative burden of the provinces. This transfer will ensure maximum flexibility in developing provincial programs suited to the needs of the regions. The new lump-sum transfer limits the restraint the federal government can impose in exclusive provincial jurisdictions.

This new and more flexible formula does not affect the quality of services provided to Canadians.

The terms and conditions set out in the Canada Health Act will be maintained and the provinces will have to abide by the provisions of the act with respect to health care.

At the same time, we remain committed to fiscal equalization, one of the cornerstones of the Canadian federal system, through which Quebec receives nearly \$4 billion per year.

The budget marks the beginning of a new era, an era in which the federation will be managed differently. Management will be simpler, more efficient and, yes, more sensitive to provincial jurisdictions. The budget give provincial governments full scope to meet the needs of the people.

The budget is convincing evidence of the fact that the federal system is a progressive, co-operative and dynamic system. Less than a year and a half into this Parliament, we have already tabled two budgets to substantially reduce public expenditures, something Ontario and Quebec will also have to do. We also restructured government organization. The measures outlined in this budget are the most stringent federal measures in fifty years.

[English]

We have abandoned the across the board cuts used by previous governments which proved to be counterproductive and ineffec-