

*Government Orders*

target of deficit reduction we campaigned on in the last campaign: 3 per cent of GDP by the end of 1996-97.

The budget takes strong action to deal with the deficit. It is tough and it encompasses painful program cuts. The government strategy required savings on government expenditures, program review, and some tax changes.

In so doing programs that many of us, myself included, hold near and dear have been cut. We have attempted as a government to be balanced across the regions and across the industries on both the social and the tax expenditure sides. Regardless of the facts it does not make dealing with tough fiscal measures any easier or make the impact on those affected any less.

Turning to the meetings I have had with constituents, farmers and especially my former organization told me in no uncertain terms that they felt the budget was tougher on the agricultural sector than on other sectors across the land, especially so when the transportation changes are brought into the equation.

The loss of ARFAA and MFRA rates within Atlantic Canada will impact upon primary producers. We have set aside considerable adjustment moneys, \$321 million. By providing that money to the provinces there was concern expressed that the provinces may not address the needs of producers as a result of the changes in the budget.

We as MPs have a responsibility and must be involved in the process. I intend to be involved. At the very bottom line we certainly do need to have a national transportation policy in place. The loss of the feed freight assistance in Atlantic Canada could have a very negative impact on the Atlantic livestock industry if we do not provide other compensating policy initiatives to the livestock industry.

I will lay out the facts. I will not put a spin on them. I accept the facts as they are. When the feed freight assistance program in Atlantic Canada and the changes to the WGTA in the west are combined, the cost of barley in eastern Canada as compared to the west will be at approximately a \$42 per tonne disadvantage. That is the reality. I do not believe we should despair over the facts.

• (1250)

The secretary of state for agriculture and agri-food will be setting up consultations with the farm community. Adjustment moneys are in place. The secretary of state and the Department of Agriculture are certainly discussing with industry and looking at new ways of developing the competitiveness of the livestock industry in Atlantic Canada.

In the meetings with farmers I attended in eastern Canada some concern was expressed about proposed changes to Agriculture Canada, especially in the area of privatizing the economic branch. There is a firm belief with which I agree that the

minister needs a division within the department to do the economic analysis and the economic impact studies prior to policy changes being made.

I am one who firmly believes that we should be holding outlook conferences where the department has to put on record where it thinks the movement will be in agriculture over the next year and then come back and account for its prediction a year later.

By privatizing the economic branch there will be no real savings to farm out to economic consultants. In my mind it would be much more preferable to get rid of some of the paper pushers at the top, the people who do not really understand primary producers in terms of getting their hands dirty in the soil and understanding at the primary production level. We need some discussion in that area.

There is no question the minister had difficult choices to make. He will attempt to address the impact through improved safety nets, adaptation programs and new policy thrusts.

Turning to some other meetings I have had in my riding, on the Canada social transfer there were questions raised whether it would be an effective vehicle to equally deliver social programs such as post-secondary education and health care across the country. Questions were raised on what effect block transfers would have on the fight against child poverty.

I outlined to those in attendance that we had a very successful hearing on HRD and social security reform review. Many good points came out of the paper from the committee. I congratulate it on its work. The committee did good investigative work, held hearings and has come up with some sound recommendations that the government and members of Parliament can look at in terms of future initiatives in the social security area.

The debt and the deficit were discussed in great detail. The main focus of discussion with respect to the debt and the deficit was centred on the percentage of Canada's debt owed to foreign investors. I am very concerned about that area. When a few speculators basically playing computer games on the stock market floor can bring down a country in terms of its financial security, we have to look seriously at the issue. Whether it is a new Bretton Woods agreement or some other measure we have to look at it seriously. I believe the Prime Minister has put the matter on the agenda for the G-7 in Halifax.

Public service reductions were talked about at the meetings as well. Representatives from the public service expressed their anxiety with regard to what many public servants are undergoing and the demoralizing effect on the workforce. Representatives questioned why the compensation, the early retirement package, could not be offered to all public servants so the resulting vacancies could be filled by surplus workers who do not qualify for the package. We will be raising those points with the ministers responsible.