

*The Budget*

Finally, the feed-freight assistance subsidies are being discontinued and the Livestock Feed Bureau will be wound up. A portion of the resulting savings will be redirected on a transitional basis to help adjustment in the livestock industry.

[English]

Financial support to business should only be provided if there is no alternative and a valid national need clearly exists. That is why we have made a clear public commitment that new funding for mega projects will not take place.

In the last year I have had numerous requests for the funding of such projects cross my desk and every one of these has been turned down.

In addition, with this budget we are eliminating the Public Utilities Income Tax Transfer Act. It can no longer be justified in today's fiscal circumstances.

Small businesses are the primary creators of new jobs in this country. Removing barriers to their success is a core priority for the government and for Canadians, as is providing practical assistance for them to survive and to grow.

Last year we announced that we would review the \$500,000 lifetime capital gains tax exemption for small business and for farmers. As a result of that review, we are announcing that no changes to it will be made.

We see our regional agencies as playing an important role in the creation of opportunity and long lasting jobs. However, we do not believe that handouts are the way to do it. Therefore, consistent with our new policy to sharply reduce business subsidies, assistance to firms will be provided primarily through repayable loans on terms tailored to foster genuine opportunity.

• (1705)

This government is determined that small businesses will have access to the financing they need to continue being our number one creator of jobs. While some progress has been made there continue to be very large gaps in the system. We believe that Canada's banks have a special obligation to help close those gaps. That is why between now and the fall we have told the banks that we will be working with them to hammer out meaningful performance benchmarks for small business financing. Progress during the following year will be monitored against those benchmarks.

[Translation]

It is ideas today that will generate the products and the jobs of tomorrow. That is why science and technology will become a predominant focus for our business support. In the future, our science and technology efforts will be concentrated more strategically on activities that foster innovation, rapid commercialization and value-added production.

As only one example, the Medical Research Council has mounted a promising initiative to bring together private sector capital and leading academic research efforts. That is the kind

of imagination we will encourage as a government in order to stretch government's science dollars further and more effectively, so that Canada's new economy may prosper.

[English]

The government is committed to privatizing and commercializing government operations wherever feasible and appropriate. Our view is straightforward. If government does not need to run something it should not, and in the future it will not.

Today we are announcing that the Minister of Transport will initiate steps this year to sell CN. He will also commercialize the air navigation system. When market conditions are favourable the Minister of Natural Resources will sell our remaining 70 per cent interest in Petro-Canada. The Minister of Public Works and Government Services will examine divesting all or parts of the Canada Communications Group.

Let me be clear. This is not a one shot exercise. Our effort to identify other candidates for privatization will continue. This is not ideology, it is simple common sense.

Let me say one thing before leaving program review. We have accomplished a great deal over the last year. We have also confirmed something. Getting government right does not end with this budget or any other, for the essence of good government is in fact permanent ongoing program review, and we are going to provide good government.

[Translation]

Canadians make ends meet by watching their dollars every day. It is time government did the same. Last month, the government introduced a new and much tighter system to manage its spending. Departments will have to find the money for their new initiatives from existing budgets.

[English]

As another example of new and better management, in the future for the first time government departments will have to prepare three-year business plans. These plans will be subject to parliamentary and therefore public scrutiny.

Our approach to interest group funding will change as well. Some groups will continue to be funded as is. For others in a position to secure financial support from outside government, we will move toward a system based on the provision of matching funds. For still other groups, continued funding will not be possible due to our financial situation.

• (1710)

[Translation]

There is no more important task than to do everything we can to help Canadians get jobs, keep jobs or find better jobs. But the fact is that the existing structure of programs does not do that nearly well enough. That is why the Minister of Human Resources Development will be announcing the details of a new human resources investment fund. Many of the department's existing programs that foster employability will be combined under the umbrella of that new fund. A sharper focus on