• (1655)

In the last recession every household, every business, every volunteer group in this country was forced to face up to hard choices and real change, but the Government of Canada did not. In this budget we are bringing government size and its structure into line with what we can afford.

[*Translation*]

As a result of the cut–back and reform of programs, the President of the Treasury Board has announced that the public service will be reduced by some 45,000 positions over three years, with 20,000 being eliminated by the summer of next year.

Because so many of those affected have given so many years of valuable services to Canadians, we are committed to downsizing the public service as fairly as possible.

In some departments the scope for savings has been less than in others. For example, we are responding to Canadians' concern about public safety in their communities by strengthening gun control and largely maintaining existing levels of support for law enforcement, the justice system and correctional services.

[*English*]

As a second example, the Minister of Citizenship and Immigration has made clear our commitment to a fair, affordable and well–enforced immigration policy. Therefore, a form of financial guarantee will ensure that sponsors of immigrants meet their obligations.

In addition, a $975 fee will be charged all adults immigrating to Canada to offset the costs of immigrant services.

[*Translation*]

The measures in this budget share a common foundation and philosophy. For example, across government, we are taking major action in this budget to substantially reduce subsidies to business. These subsidies do not create long–lasting jobs. Nobody has made that case more strongly than business itself. In this budget, total spending on business subsidies will decline from $3.8 billion in this fiscal year to $1.5 billion by 1997–98. That is a reduction of 60 per cent in three years. Remaining industrial assistance will be targeted on the key engines of economic growth—trade development, science and technology and small and medium size business.

[*English*]

Transportation and direct agricultural production subsidies are being eliminated or substantially reduced. This is historic change. Decades ago, even into the last century, those subsidies were put in place to respond to Canada's transportation and agricultural needs then existing. As time has passed, those needs have evolved but the subsidy structure has not. For years governments have known about the need for change but they have hesitated to act. But we cannot postpone action any longer.

To that end, subsidies under the Western Grain Transportation Act are eliminated effective 1995–96, resulting in savings of $2.6 billion over the next five years. This subsidy evolved from the Crow rate established in 1897. It has played a pivotal role in the development of the prairie economy, but in more recent years it has come to restrict the ability of prairie farmers and their industry to adapt and to compete.

• (1700)

To facilitate this change we will make a one time payment of $1.6 billion to prairie farm land owners to be provided for in this fiscal year 1994–95.

We will invest a further $300 million over several years to facilitate a more efficient grain handling and transportation system. We will provide new credit guarantees to help Canadian farmers sell to non–sovereign buyers abroad.

Next, the Atlantic freight subsidies are also being eliminated, effective in the upcoming fiscal year. This will result in savings of $500 million over the next five years alone.

The elimination of this subsidy will contribute to a better transportation system. To help ensure this, the government will set up a five–year, $326 million transportation adjustment program that among other things will help modernize the highway system in Atlantic Canada and eastern Quebec.

[*Translation*]

Consistent with the recent decision of federal and provincial ministers of agriculture, a core national "whole farm" stabilization program will be developed, together with crop insurance and province–specific programs.

The costs of these initiatives will be shared between the federal government, the provinces and farmers themselves. This will replace current programs based on individual agricultural commodities. It will therefore encourage innovation and diversification, as well as resulting in a 30–per–cent reduction in federal contributions to agricultural safety nets. Next, the subsidy paid to industrial milk producers will be reduced by 15 per cent in 1995–96 and by a further 15 per cent the following year. The future of this program will be reviewed, in consultation with industry.