

Mr. Speaker. I know that we as members of the government will be bringing our messages to the Cabinet and to the Prime Minister. Certainly there will have to be some distasteful medicine taken; there is no question about that. I think the statement "short-term pain for long-term gain" is a truism. It reminds me that everyone wants to go to heaven but nobody wants to die.

**Some Hon. Members:** Oh, oh!

**Mr. Darling:** Some hard measures will have to be taken in order for us to get the country back on the right road. The doors in Ottawa have been closed so long and the keyholes plugged for so many years that Canadians must get used to true representation in Parliament.

If consultation and co-operation is such a dastardly goal, perhaps Opposition members could explain why private sector spokesmen are so elated with the Throne Speech and the economic statement of the Minister of Finance. Immediately following the address of the Finance Minister, I had the good fortune to meet in my office with John Bulloch, president of the influential Canadian Federation of Independent Business. Mr. Bulloch's federation is one of nine private sector groups participating in the consultation process, the same group so profusely maligned by the Opposition. Let me quote what Mr. Bulloch said:

The signals to the investment community are positive because there is a message of honesty. It is a message that Canada will rely more on the private sector than the Government. We're going to roll back regulations and rely on market forces. For small business specifically, they re-introduced the tax simplification measures from last April. These were non-partisan measures developed after three years of effort between the private sector and the tax fraternity. They represent \$50 million in savings in accounting fees alone.

Mr. Bulloch described the Finance Minister's announcement as a "cold shower", and said it was the only cold shower he has ever enjoyed taking. That shower, of course, describes the rude awakening Canadians are enduring in the face of a deficit more severe than previously disclosed. Canadians should not be fooled by Opposition prattlings about lack of concern over unemployment. The creation of meaningful, long-term employment is contingent on a strong national economic base. The Opposition is doing what it is paid to do. Unfortunately, members of the Opposition do not seem to care about misinforming the people of Canada and making the pain and suffering of the unemployed even greater.

Getting Canada back to work is of paramount importance to this Government. We defy anyone to provide concrete proof that that is not the case. It will always be our intention to deal fairly and compassionately with the people of Canada. That, in itself, is one of the changes Canadians have been seeking. Unemployment will not take a back seat to problems relating to the deficit, but even grade school mathematicians can see why the deficit must be addressed concurrently.

Consider, if you will, what Mr. Bulloch had to say on behalf of the Canadian Federation of Independent Business:

We've had some shocking news when it comes to the size of the Government's deficit and their fiscal problems, but the Government has shown a lot of honesty and straight shooting on how they're going to deal with it.

### S.O. 21

To have over \$4 billion in cuts so early in the game is a major achievement. We, as an organization, are making suggestions to the Deputy Prime Minister where even further cuts can be made over the next six months. The signals to business are very, very powerful. The signals to small business are especially good. We have a whole set of new rules between the tax collector and small business.

They're going to remove the restrictions that are inhibiting small business growth, for example, the unemployment insurance system and the problems of equity capital. The sleeper is the review of the unemployment insurance system because most people don't realize today that unemployment insurance is creating unemployment.

The United States now has 7 per cent unemployment while we have 11. The reason: people in the United States are taking real wage cuts. People in the United States are moving more frequently to take jobs. The people in the United States are taking more training and the rigidity in our labour market is the major inhibitor to job creation in Canada. The sleeper here is the serious initiatives to review unemployment insurance.

**Mr. Deputy Speaker:** Order, please. I am sorry but I have to interrupt the Hon. Member since it is one o'clock. I shall now leave the chair until two o'clock. Since the Hon. Member for Parry Sound-Muskoka (Mr. Darling) has some time left, he may continue after the daily routine of business.

At 1 p.m. the House took recess.

### AFTER RECESS

The House resumed at 2 p.m.

## STATEMENTS PURSUANT TO S.O. 21

[English]

### PUBLIC SERVICE

#### CONSEQUENCES OF STAFFING FREEZE

**Mr. George Baker (Gander-Twillingate):** Mr. Speaker, the full impact of restraint measures announced by the new Conservative Government has not yet been felt in the poorer regions of Canada. I am referring to the freeze on person-years announced by the new Government for the federal Public Service, and the cutting and streamlining of administration in various federal Departments.

It is clear what happens when orders are given to cut, to streamline, and to freeze the federal Public Service. It is the job in the field, the job at the end of the line, and the job in the region which are cut. Tory policy today in this area is even more cruel than it was in 1979. To set out intentionally, as the Government has done, to reduce the size of the federal Public Service, with no regard whatsoever to where these cuts are made, is a cruel and stupid policy. This policy reaches into every community in rural Canada, and into Crown corporations such as Canada Post.

This week orders are being issued throughout Atlantic Canada to reduce the hours of small post offices from 40 hours to 30 hours. In Newfoundland, about 160 post offices are