

*Government Orders*

What does the government do to avoid wasting public funds, duplication and overlap? Of course, the government did not take any action to achieve this goal. That is why I strongly believe that, had it been otherwise, the cuts in the federal public service could have been less severe.

To get back to the glaring contradictions and questionable priorities in the federal budget, I note that the Liberal government has announced a \$532 million cut in the international aid budget. This decision is quite surprising, since he himself pointed out very recently in his foreign policy statement that international aid was crucial to meeting three objectives: prosperity, employment and international security.

Having cut the international aid budget by over 25 per cent, how can the government claim it is adhering to the principle of moral responsibility toward international aid for developing countries, in order to reduce poverty? The fact is, it cannot, Mr. Speaker.

Furthermore, how can they favour international trade development, when Canadian businesses are subsidized so that they are kept artificially dependent on the government? In fact, these subsidies hurt their competitiveness at the international level. This leads me to believe that because he did not have the courage to go further in reducing business subsidies, the minister will help keep these businesses in an unhealthy state of dependence that will hurt their development and hinder access to international markets.

In closing, I would like to say a few words about the budget measures with respect to agriculture. Clearly, the federal budget does not affect all farmers across Canada the same way. The federal government announced the abolition of the \$560 million Crow rate subsidy that helps finance Western grain transport.

• (1015)

However, this measure comes with a financial compensation package in the order of \$1.6 billion for losses in land values, as well as \$1 billion in credit guarantees for grain purchases. In addition, Western farmers affected by the cancellation of the Crow rate subsidy will receive \$300 million over five years to facilitate the transition. On the other hand, Canadian milk producers, almost 50 per cent of whom are in Quebec, will see their federal subsidies cut by 30 per cent over the next two years.

I find it hard to understand the logical basis for compensating Western farmers for the loss of the Crow rate subsidy, while industrial milk producers, most of whom live in Quebec, will not be entitled to any compensation from the federal government. Is this a case of double standard? I am afraid so.

After crying wolf for several months to prepare the population for draconian budget measures, the Liberal government finally gave birth to a budget that is neither flesh, fish, nor fowl, that

defers until later many of the real solutions, and that insidiously ignores many of its potentially perverse and negative effects.

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, I must say that I was really disappointed with the Bloc's presentation. Perhaps nothing more should be expected from someone speaking on behalf of a party which has already made fundamental choices for ideological reasons and is therefore impervious to the truth.

The truth is that, last year, 433,000 new jobs were created in Canada. This is actual job creation, not just idle talk. In Quebec, 116,000 jobs. In the National Capital Region, a net total of 16,600 new full time jobs were created in 1994. These are the facts, not a bunch of unsubstantiated claims like those made by the previous speaker.

Yesterday, when the hon. member for Verchères said 14,000 public service jobs would be lost in the Outaouais region, he showed his profound lack of understanding of the region. The truth is that the total job loss resulting from the budget over a three year period will be approximately 3,000, not 14,000.

In all of Canada, 45,000 jobs will be cut but this does not mean people actually losing their jobs because in many cases these jobs will be filled by other employees reassigned as a result of the attrition process. I cannot expect the hon. member opposite to have deep knowledge of government, but I would ask him to at least stick to the facts and analysis. The truth about the budget tabled this week is that it is the only way to promote job creation in the long term.

When the hon. member says that this budget will result in the loss of a few thousand jobs throughout the National Capital Region, he makes it sound like job creation would necessarily ensue if the deficit in the federal budget were allowed to continue to build up. If that were true, Canada would have achieved full employment a long time ago, given its accumulated deficits.

The truth is that this is the only way to avoid hitting the wall like New Zealand did. In just a few months, New Zealand had to cut its public service by two thirds, not a mere 14 per cent like us. Our public service will continue to operate with 86 per cent of its employees in three years. Because New Zealand acted along the lines of what the hon. member opposite recommends, it had to cut its public service by two thirds. These are historical facts, not empty words like those spoken by the hon. member.

By shrinking the size of the federal government, which was long overdue, by forcing ourselves to streamline and downsize government, we are ensuring that the 1994 job creation effort can continue.