

Routine Proceedings

[English]

Pursuant to Standing Order 32(1) I wish to table copies, in both official languages, of an order respecting the suspension of privileges granted under the free trade agreement.

[Translation]

Madam Deputy Speaker: We are now at Statements by Ministers. The hon. President of the Treasury Board now has the floor.

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1993-94 MAIN ESTIMATESEXPLANATORY STATEMENT OF PRESIDENT OF THE
TREASURY BOARD

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, this is the third time that I have had the privilege of tabling the Main Estimates before this House. Those that I am presenting today for the 1993-94 fiscal year detail the government's spending plans arising from the economic and fiscal statement made by the Minister of Finance before this House on December 2, 1992.

That statement announced certain initiatives to stimulate growth and employment, to rebuild the confidence of Canadians and to help them adjust to the new economic realities. At the same time, it sought to contain the deficit and I believe that we are clearly on target on all these points.

In keeping with our past efforts, the measures announced in the statement sought to stimulate economic growth and improve the standard of living of Canadians. They include a sound monetary and fiscal policy, an adaptation to the globalization of markets, a streamlining and renewal of the public sector, building on the strengths of Canadians and stimulating the spirit of enterprise and initiative in the private sector to sustain our economic progress.

In response to the statement, we are introducing a series of initiatives to invest in growth, invest in people, broaden trade opportunities and enhance competitiveness. For instance, we launched a Small Business Employment and Investment Package, we maintained research and development funds at their present level, despite our financial situation and we reallocated re-

sources to focus on strategic investments for such things as highways, bridges and technology infrastructure and, of course, to optimize the results of those investments.

Along with these commitments, severe spending cuts had to be made to contain the deficit.

The major spending reduction program announced on December 2, 1992 will have an impact on the cost of programs delivered directly by the federal government on transfers to individuals and on grants and contributions to organizations and companies.

As everyone knows, the world economy has proven weaker than expected and the projections of growth for most countries have had to be revised downward.

• (1105)

In most OECD countries, governments have responded by implementing strict spending reductions. This was certainly the case in the United States, the United Kingdom, Italy and Sweden.

In the United Kingdom, for example, the recent announcement of a full-scale program review follows on the heels of the pre-Christmas announcement of major cuts in operating expenditures.

[English]

In keeping with the economic and fiscal statement of December 2, federal government operating expenditures including defence spending have had to be cut in relation to the February 1992 budget projections by \$1 billion in 1993-94 and by \$1.7 billion in 1994-95. Since personnel related spending represents two-thirds of the operating costs of the federal government, we have acted to reduce the total payroll.

As we announced, the wage restraint policy introduced in 1991 will be extended for an additional two years for all sectors of the federal government. This applies to the Prime Minister, cabinet ministers and members of Parliament among others. We are well aware of the heavy sacrifices that we have asked of our employees by freezing their salaries.

The government has also been forced to reduce other elements of departmental and agency operating budgets. As announced in the economic statement of December 2, these budgets will be reduced a further 3 per cent in 1993-94 in addition to the numerous cuts already imposed since 1984-85.