

\$16.4 billion in major cash transfers to the provinces and territories for social purposes.

The objectives of the social programs are to promote the health and well-being of Canadians and to foster equality of access by all Canadians to the benefit of Canadian society. Benefits and services are directed at those most in need through a broad range of assistance programs. These encompass employment, health, housing and other initiatives which benefit aboriginal peoples, veterans, senior citizens, children, immigrants and the unemployed.

[Translation]

Generally speaking, the program review helped strengthen the primary mandate of the departments responsible for social programs, including Indian Affairs and Northern Development, Health, Human Resources Development, Citizenship and Immigration, as well as Veterans Affairs.

Reducing spending in priority social programs, a large number of which are closely related to the population increase, is a particularly difficult challenge.

These departments will have to pay greater attention to the streamlining of their operations, in order to function with reduced resources. This means that, more than ever before, social benefits and services will have to be provided to those Canadians who need them the most.

• (1650)

A larger proportion of the costs related to these benefits and services will also be recovered from users who benefit directly from them.

[English]

Similar approaches are reflected in all program expenditure sectors within these estimates. For example, natural resource based programs in the 1995 main estimates are \$463 million lower than in 1994-95. The departments of agriculture, environment, fisheries and oceans and natural resources have redefined their core mandates in areas of expertise. More emphasis will be placed on the strategic use of public funds to promote sustainable development, enhance Canadian competitiveness and rationalize and recover costs.

The transportation sector estimates show a \$329 million decrease, as Transport Canada moves from direct involvement in transportation operations to focus on its core roles of developing policy and legislation, and setting and enforcing safety and security standards. Reduced subsidies paid by or to the transportation crown corporations and agencies also lead to significant expenditure reduction in this sector.

Supply

[Translation]

The streamlining of our operations, combined with the greater efficiency achieved through technology, has resulted in savings of \$209 million in general government services.

[English]

The main estimates also mark the implementation of a new expenditure manager system, one which reflects the government's commitment to funding new requirements by reallocating existing resources. The system will necessitate an ongoing evaluation of priorities, both within departments and government wide, and will lead to more informed spending decisions. Centrally funded policy reserves to support new initiatives have been eliminated.

[Translation]

The operating reserve managed by Treasury Board has significantly diminished, and its role has also changed. Traditionally, the reserve was used as an emergency fund to cover additional expenditures related to existing programs. Under the new expenditure management system, the operating reserve will, in most cases, fulfill the role of a banking institution.

Its main responsibility will be to provide additional financing for projects which have a significant impact in terms of productivity.

[English]

Departmental business plans will focus on strategic changes to programs and lines of business while the related outlook documents, a new initiative, will enhance parliamentary review of estimates and future year expenditures with emphasis on performance.

It is recognized that effective management within a fixed level of resources presents a challenge to ministers and departments. In that context, treasury board is examining ways to enhance managerial flexibility and to support reallocation efforts.

[Translation]

The 1995-96 main estimates, along with the related initiatives which I described today, clearly show that the government has taken a new direction as regards expenditure management.

[English]

Canadians have responded favourably to the changes put forward in the budget. They recognize that tough choices had to be made, that real change is necessary in order to implement the jobs and growth agenda and to get the country back on track. This year's estimates confirm that those changes have begun.

As I listen to the comments that have been made concerning the government's budget and the ensuing activity, I hear mostly favourable comments directed at the government. The Canadian