

Estimates

That Privy Council Vote 15 be referred to the Standing Joint Committee on Official Languages; and

That a message be sent to the Senate to acquaint Their Honours thereof.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

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[*Translation*]

MAIN ESTIMATES—1989-90

EXPLANATORY NOTES OF PRESIDENT OF THE TREASURY BOARD

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am pleased to table today, on behalf of the government, the Main Estimates for the 1989-90 fiscal year. They reflect the government's continuing determination to better manage its resources. As well they recognize the important contribution that the public service has made to enable the government to deliver its programs and services to Canadians as effectively and efficiently as possible.

[*English*]

The Government's updated fiscal plan provides for total budgetary expenditures of \$142.9 billion in fiscal year 1989-1990, a 7.4 per cent increase over the forecast for the past fiscal year. I want to underline to Hon. Members today that program expenditures as reflected in the Budget are increasing by only 3.5 per cent over last year, more than a full percentage point below inflation and in line with the average expenditure growth of the last five years, which was 3.6 per cent.

Today I am introducing Main Estimates totalling \$131 billion. They reflect the Government's continued success in controlling program spending. They also reflect a commitment to the priorities set out in the Speech from the Throne and our ongoing efforts for a more productive Public Service. These Estimates represent an increase of 9.7 per cent over those tabled last year. This is higher than the rate of growth and total spending outlined in the Budget largely because the Government has been able to identify proportionately more of its requirement at this stage of the Budget cycle. The Main Estimates therefore include more of the Government's planned expenditures than has been possible in the past. This higher amount for Main Estimates is offset by a smaller increase in reserves to fund items to be included later this year in Supplementary Estimates.

I am pleased to inform Hon. Members that the Government is making provisions for reserves of \$3.1 billion, approximately 40 per cent less than the amount provided last year.

[*Translation*]

Mr. Speaker, the increased spending in Main Estimates expenditures for this year is a direct consequence of the overhanging legacy of debt.

Since 1984, 50 per cent of the increase in budgetary expenditures is attributable to higher public debt charges. For this year, public debt charges account for 63 per cent—virtually two-thirds—of the increase in Main Estimates. Interest payments on the debt have now become the single largest component of expenditures. While debt charges have increased substantially, program spending has been brought under tight control. This control over program expenditures is not a new development. It is a reinforcement of five years of determined action by the government. The program component of Main Estimates is increasing by only 4.9 per cent. In the five years ending in 1989-90, this program component has advanced at an average annual rate of 4.3 per cent. This is in sharp contrast to the previous annual average increase of 11.8 per cent from 1980 to 1984, and from the 15.7 per cent average increase from 1971 to 1980.

Even more indicative of the government's program of improved expenditure management is what has happened to the program portion of Main Estimates as a share of Gross Domestic Product. Since 1984-85, that share has fallen continuously and significantly. From a high of 16.7 per cent in 1984-85, these expenditures have dropped to just over 14 per cent of Gross Domestic Product for this year.

[*English*]

My colleagues and I are determined to continue our policy of sound management as well as to seek ways to reduce the overhanging burden of the public debt. Bringing the Government spending into balance will require us to sustain the drive toward improved management of expenditures. The Main Estimates I am tabling today are a further step in this direction while maintaining our commitment to other priorities. Living more effectively within our means has required the Government to both realign and reduce its expenditures. The Government is introducing expenditure reductions for this year totalling \$1.5 billion. When the reductions announced by my colleague, the Minister of Finance, are fully implemented, they will amount to \$2.5 billion a year. We have ensured and will continue to ensure through regular and progressive adjustment that no