

socially disadvantaged including the jobless, unskilled persons with disabilities, seniors and immigrants as well as aboriginal people, veterans and children.

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The Departments of Employment and Immigration, National Health and Welfare, Indian Affairs and Northern Development, Canada Mortgage and Housing Corporation and Veterans Affairs account for nearly 99 per cent of the spending in this sector. For 1993-94, program spending will amount to \$120.9 billion with growth being kept at about a 1.7 per cent increase over last year.

This growth is due in large part to increased benefits being paid out under old age security, unemployment insurance, fiscal equalization and the Canada assistance programs. The remaining growth is the result of increased spending on aboriginal people and veterans, supplemental income support, payments to fishermen and plant workers in the northern cod fishery of Newfoundland and the investment in public infrastructure.

The spending programs for 1993 and 1994 are well within the limits set out in the spending control legislation that was approved by this House in 1992. The December economic and fiscal statement announced the government's intention to change the unemployment insurance program. As a result of the passage of Bill C-113, the government is expected to generate savings of \$850 million in 1993-94 alone. However this bill was approved after the main estimates were tabled and therefore these savings are not reflected in the estimates of 1993-94.

The December statement also announced reduced funding for transportation subsidies, the Public Utilities Income Tax Transfer Act and grants in lieu of taxes to municipalities. These measures are expected to generate significant savings, however they cannot be included in the estimates as the changes to the statutory authorities had not been approved at the time of the tabling of the main estimates.

The recent budget measures announced by my colleague, the Minister of Finance, will see significant changes to the way in which government does business. Streamlining will become necessary in many areas of

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government and tough decisions will be made regarding the discontinuation of discretionary programs. We, as Canadians, can no longer afford some of these. Estimates tabled in the next few years will no doubt prove to be testimony to the positive impact resulting from this budget. We will be able to live within our means at that time.

Expenditure management has already forced departments and agencies to face increasing demands for their services with fewer available resources. Reductions in available moneys within the operations and maintenance budgets have been an element of the restraint measures announced in every budget since 1985. This has resulted in reductions to the purchasing power of operating and maintenance budgets of an ongoing program in the order of 30 per cent since 1985.

Canadians have expressed the desire for governments to spend less, spend smarter and be more efficient. Perhaps this feeling has never been stronger than at the present time. Tackling this country's deficit through spending cuts has become a number one priority of governments within Canada. Transfer payments continue to account for most of the growth in the main estimates. For this upcoming year transfer of payments will increase nearly \$1.4 billion. Increasing costs in unemployment insurance, Established Program Financing, the Canada Assistance Plan, payments to provinces as well as transfers to seniors accounts account for nearly all the growth in this area.

In the 1993-94 estimates \$42.6 billion, or 26 per cent of total budgetary expenditures is for transfers to persons. Of this \$42.6 billion, unemployment insurance and transfers to seniors account for over \$20 billion. The Minister of Finance announced a 10 per cent cut to transfer payments for selected programs in his December statement. Savings as a result of this initiative are expected to reach \$779 million in 1993-94 with \$644 million being reflected in these main estimates.

Cutbacks in government expenditures have not only originated from reducing transfer payments to individuals and provinces. The more severe reductions have been made in government operating expenditures.