

*Supply**[English]*

Hon. Frank Oberle (for the President of the Treasury Board) moved:

That Vote 1, in the amount of \$65,974,000 under Treasury Board—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1994, (less the amount voted in Interim Supply), be concurred in.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I am honoured today to speak to the matter of full supply for the main estimates for the fiscal year 1993–94.

• (1540)

This year the main estimates total \$161.1 billion. Through these estimates the government is seeking Parliament's approval for \$48.9 billion in new spending authority. The remaining \$112.2 billion represents statutory payments that have received previous parliamentary approval.

These main estimates, as well as those tabled in the previous eight years, reflect the government's commitment to eliminating waste and inefficiency, as well as divesting activities and organizations that no longer serve a vital public need in order to reduce costs and strike a proper balance between Canadians' demands for federal services and their ability as taxpayers to pay for them.

In this regard much has been achieved over the past eight years. Program spending has been held to 16.7 per cent of Canada's gross domestic product for the past two years as compared to 20 per cent in 1984.

Since 1984 the growth in program expenditures, including Public Service salaries, has averaged only 3.7 per cent per year as compared to an average inflation rate of 4 per cent per year. This translates into a net real decline of 2.6 per cent.

These achievements illustrate the government's commitment to increased efficiency through the rigorous control of expenditures as well as the implementation of many innovative management practices. This government has maintained and will continue to maintain careful stewardship over taxpayers' dollars. We are leaders in this area, as is demonstrated by our long record of success.

The year over year increase of .4 per cent in the main estimates is the outcome of an annual review of the requirements for all 137 programs delivered by 111 departments, agencies and Crown corporations appearing in the estimates. This increase can be divided into two broad categories: adjustments to statutory items, which amount to a net increase of \$423 million or 74 per cent of the year over year growth, and changes to voted items, which amount to \$149 million or 26 per cent of the year over year growth.

Statutory spending this year is \$112.2 billion, or 70 per cent of the total estimates. Spending in this category includes such things as major federal transfers to Canadians in respect of old age security, guaranteed income supplement and unemployment insurance benefits; transfers to the provinces under equalization programs for health, education and social assistance; general Public Service programs; and public debt charges

Voted spending, approved annually by Parliament, amounts to \$48.9 billion in these estimates. This reflects an increase of .3 per cent over last year. The major factor underlying the growth in the voted portion of the main estimates is the continuing requirements of items funded initially through the 1992–93 supplementary estimates.

Items approved through the 1992–93 supplementary estimates and included in the 1993–94 main estimates reflect the incorporation of new policy and workload increases announced or identified after tabling of the 1992–93 estimates. In addition, these Main Estimates include the additional costs of collective agreements as extended by the Public Sector Compensation Act.

On a consolidated basis the budgetary main estimates will increase by only .4 per cent for this upcoming year. Four main areas account for 82 per cent of the total allocated budgetary spending: public debt charges account for nearly 25 per cent; social programs for 38 per cent; fiscal arrangements for close to 12 per cent; and defence spending for 7.3 per cent.

Social programs are the largest component of over-all spending for 1993–94 with the federal government directing over \$61 billion or, 38 per cent of its planned spending, in this area. The government will continue its efforts to ensure the health and well-being of all Canadians. Help is directed to those in greatest need through programs of assistance to the economically and