

tion, increased international competitiveness and a positive climate for growth and new enterprise by Canadians. Fourth, to bring about these changes in a way that is fair, balanced and consistent with the nation's sense of compassion, tolerance and justice.

By making expenditure control and good management the primary focus of fiscal restraint, we are meeting these challenges.

Two days ago, the Minister of Finance presented this House with our expenditure control plan. That plan, coupled with the December 15 package of management initiatives, provides fiscal savings of \$19.5 billion. This saves the equivalent of over \$2,500 for each and every family in Canada.

This expenditure control plan continues our steady progress towards our goal of restoring long-term stability and good management. It will be the foundation for this government's planning through the next five years.

In his statement, the Minister of Finance described how this government is managing the economy. Today, I want to talk about how we are managing the government.

I would like members to focus on the clear evidence of substantial progress that can be seen in the documents I have tabled in the House today. Part I of the Estimates presents the measures we have taken to control spending and manage the government. Part II provides details of our spending proposals to Parliament.

In 1990-91 spending on federal government programs will rise by only 3 per cent, substantially less than the rate of inflation. This is an improvement even compared to this government's very impressive record of 3.6 per cent annual increases in the five years since the 1984 election.

Let me remind members how significant this management improvement really is when compared to preceding governments.

Routine Proceedings

In the five years before this government took office in 1984, program spending grew by 14.1 per cent annually. In the five years before that, program spending grew by 10 per cent annually. In the five years before that, program spending grew by 17.9 per cent annually.

[*Translation*]

I think it bears repeating, Madam Speaker, that during the next fiscal year, program spending will increase only 3 per cent.

One of our major objectives is to provide for sound management. To do so, we must strive towards leaner and more efficient government operations.

Thanks to the Expenditure Control Plan, we will be able to save \$19.5 billion during the period in question. However, it meant making some difficult decisions, some of which were announced in December 15 last year when I announced in the House a set of austerity measures that would save a total of \$1.4 billion over the next three years.

In 1990-91, program spending will represent only 15.7 per cent of GDP. Compare this to 16 per cent for this year and 19.5 per cent in 1984-85! Madam Speaker, it will be the lowest it has been in 20 years.

• (1130)

[*English*]

A key indicator of how well this government is doing is the change that we have achieved in the operating balance.

The operating balance compares the cost of government programs with government revenues. When program costs exceed revenues the result is an operating deficit. Borrowing is needed to make up the shortfall. More borrowing is then needed to pay the interest leading to an upward borrowing spiral.

This is like a family borrowing to pay for necessities, and borrowing more and more to make interest payments on a growing debt.

The situation in 1984 was severe. So much so, that we inherited a \$15.9 billion operating deficit. Put another way, the federal government at that time was borrowing more than \$2,000 per Canadian family each year just to pay for its programs.