

the budgets of all 137 programs by 111 departments, agencies and Crown corporations appearing in the estimates. This growth can be divided into two broad categories: adjustment 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 \$140 million or 26 per cent of the year over year growth.

Canadians have indicated that they want governments to be more frugal in their spending, make smart investments that will provide a multiple pay-back, avoid expensive future costs and improve efficiency so Canadians receive more value for their tax dollar.

To this end the government continues to carefully scrutinize resource requests by federal government agencies. We must meet the challenges of restraint and serving Canadians in the best way possible to ensure that spending takes place only where Canadians need or want to receive services.

• (1710)

The Minister of Finance in his latest budget announced a series of initiatives that will bring about significant reductions in expenditures and contribute to lasting efficiencies in government programs and services. A total of \$30 billion was announced in spending cuts and other measures. The cost of government will be reduced in 1993-94 as a result of the cuts in operating budgets by \$12 billion annually by 1997-98. Program expenditures will be restrained in many areas, including defence spending and operating subsidies.

The reduction in grants and contributions for 1993-94 as announced in the December economic statement will be maintained with further and deeper reductions coming in future years. Expenditures on social housing will not be increasing in future years but will remain at the current level of approximately \$2 billion a year. Funding directed toward shelters for victims of violence, housing on Indian reserves and persons with disabilities will continue as planned. Ongoing expenditure restraint has left government departments with approximately 30 per cent less purchasing power than was available to them in 1985.

Given that the cuts outlined by the Minister of Finance will continue through 1997 and 1998, tough decisions will be necessary regarding the future of programs that we Canadians may no longer be able to afford. In addition to the expenditure reductions an-

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nounced in the budgets, the restructuring of government is an imperative toward achieving increased government efficiency. Since 1984 we have been pro-active in this area. Twenty Crown corporations have been sold or dissolved and 40 more government organizations have been wound up, merged or consolidated. Considerable savings are possible through a continued emphasis on government restructuring and streamlining.

Cost recovery and user fees have been actively promoted by this government for the collection of revenue for services that benefit a small portion of the population. This system removes the obligation from taxpayers to involuntarily pay for a service which they do not use. With the implementation of user fees the government will maintain services that might otherwise be eliminated. Simply put, those who benefit the most from the service should contribute the most. The end result of cost recovery and user fees has been the fostering of a more service-oriented, market-based approach to conducting government business.

[Translation]

In the past eight years these user fees contributed greatly to helping the government maintain service delivery. Since 1985 the funds collected annually through this payment system have doubled and are now well over \$3 billion.

• (1715)

With the current spending cuts, public service managers and organizations have to deal with stable, or in many cases increasing, demand at the same time as available resources continually decline. Managers have had to try to achieve this balance creatively, sensitively and constructively. To deliver programs in this new environment our managers have had to be more innovative and examine their workplace in order to be more efficient.

I think this has resulted in increased team-work and co-operation within the Public Service, as our employees understand their essential role in Canada's competitiveness on world markets. Dedicated and competent federal employees throughout the country and in missions abroad serve Canadians in such fields as health and safety, consumer protection, regional industrial assistance, aid to native people, scientific and technological assistance, foreign aid, representing and protecting our interests abroad, protecting people and property, protecting taxpayers through the fair and efficient administration of the Income Tax Act and customs and excise