

Supply

Ontario with respect to the payment for the cost of immigration and refugees. I am talking about a situation in which high interest rates and a burgeoning debt, which have resulted partly from that and are partly due to the fact that the Liberals had a secret debt that they left behind when Premier Rae came to office.

Its freedom is considerably limited if there is not some kind of co-ordination of monetary policy and fiscal policy between the federal and provincial governments. The province does not control monetary policy. It does not control the high interest policy. All of the provinces are burdened with that.

One thing that is important to understand is that the degree of freedom of any province, and especially Ontario, is significantly affected by the free trade agreement. It is well known that Ontario lost nearly 300,000 industrial jobs from the free trade agreement alone, certainly a significant portion of them, and 397 plants went down south.

[Translation]

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, it is an honour for me to participate in the debate on the main estimates for 1993-94. This budget shows this government's commitment to control spending and to implement measures that will lead to major gains in efficiency. Of course, we must continue to strive to deliver as efficiently as possible the services that Canadians want. We are now in a period requiring changes, and I submit to you that Canadians are ready to support the government in its efforts to make this transition successfully.

You will find in these main estimates many savings that should make it possible to achieve the measures announced in the budget of February 1992 and the December economic and fiscal statement. In making these savings, the government has made significant progress in disposing of activities, agencies and organizations that no longer meet an essential public need. This practice is compatible with our philosophy of maintaining a fair balance between the demands for federal services from Canadian citizens and our ability as a country to pay for these services through the tax revenue which we collect.

• (1705)

[English]

We have recorded numerous achievements in the area of expenditure management over the past eight years. Allow me to provide you with a few examples.

Program spending has been held at 16.7 per cent of Canada's gross domestic product for the past two years compared to 20 per cent in 1984. During the same period the growth in programs spending, 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.

In the 1991 budget a commitment was made to introduce legislation that would limit programs spending for the next five years. The Spending Control Act has been approved by this House and the spending plans outlined in these main estimates are well within the limits set out in that piece of legislation. In fact the Minister of Finance has announced that the limits under the act will be further reduced to bring them in line with the reductions set out in our recent budget.

These examples clearly demonstrate the government's commitment to restraint and improved efficiency. Careful stewardship of taxpayers' dollars is being and will continue to be exercised through the rigorous control of expenditures as well as the implementation of innovative management practices.

Since taking office in 1984 our record in that regard has been one of success. In keeping with this tradition these estimates for 1993-94 will live up to the high expectations that Canadians have set for this government.

This year the main estimates total \$161.4 billion and through these estimates the government is seeking Parliament's approval for \$48.9 billion in new spending authority, of which some \$13.9 billion of interim supply was granted earlier through Appropriation Act No. 1 of 1993-94. The remaining \$112.2 billion represents statutory payments that have been granted previous parliamentary approval.

The growth in the main estimates of 0.4 per cent is the outcome of a number of decisions and factors affecting