

Government Orders

While this may be desirable in theory, a one year catch-up rule could be quite disruptive for fiscal planning and operations management.

Instead, we have amended the act to require catching up within two years. This will ensure greater certainty without jeopardizing operational efficiencies and is a fair compromise to the committee's recommendation.

Another recommendation of the committee concerns the role of the Auditor General.

The committee recommended that he should specifically be given responsibility to monitor and report on the government's compliance with the act.

The committee suggested that this was all the more logical since the Auditor General had already been asked to audit and report on the proposed debt servicing and reduction account act.

To ensure consistency with the debt servicing and reduction account act, the government is prepared to clarify the role of the Auditor General in the case of the spending control act.

Accordingly, the revised bill will require that the government report on the act in the Public Accounts of Canada and to ask the Auditor General to report on the government's compliance with it.

Finally, there is the question of what happens after 1995-96 when the spending control act would normally expire.

• (1030)

As I have already indicated all overspending will need to be recovered under a two year catch-up rule. As a result if the government is in violation of the act in 1995-96, the government will have to indicate how this overspending will be recovered over the following two years.

In addition, the draft bill has been changed to require the Minister of Finance in the 1994 budget to recommend whether the act should be extended beyond the 1995-96 fiscal year.

As hon. members will see when they examine Bill C-56, we have also made a number of more technical changes in the draft bill to meet the finance committee's suggestions.

I am confident that the spending control act is a strong step forward that will help to put the Canadian economy back on the path to renewed and sustainable growth.

Mr. Milliken: It is a waste of time.

Mr. McDermid: I hear my friend from Kingston and the Islands saying that it is a waste of time. This is typical Liberal philosophy that controlling spending is a waste of time. That is exactly what the Liberal opposition is saying. That is what the NDP is saying, that it is a waste of time to control spending.

I want the record to show that because our government has done a pretty good job of controlling spending. This will assure that ministers of the government stay within the spending control limits set which are at the 3 per cent level. It is very, very important to get government spending under control.

That is what the Canadian people want. That is what they deserve and that is what they are going to get from this government.

Mr. Mills: They want to work.

Mr. McDermid: I hear my hon. colleague for Broadview—Greenwood saying that they do not want government spending controlled. This government is determined to control its spending. This bill will do it in conjunction with the deficit reduction and the debt removal act that we have in place. I think the hon. member supports that as well.

Living within the limits will require difficult choices among competing spending pressures. There is no question about that.

The ministers will have to make up their minds where the priorities are and they will have to within their responsibilities and within their limited budgets spend more wisely. That is very important.

Spending more on some things will mean spending less on others. Those are decisions that are going to have to be taken. Since coming to office the government has repeatedly faced and made these kinds of choices. It will continue to do so as an essential part of facing up to Canada's fiscal and economic challenges.

I urge that the House support the spending control act, Bill C-56, assure its speedy passage so that we can