

*Government Orders*

It is business that creates jobs. The processing and manufacturing sectors not only have tremendous potential for creating jobs but allow us to build and enjoy the benefits of the resources this country is so blessed with.

Exports create jobs. This budget and this government's policies are built around the principle that it is the private sector that creates employment opportunities, that creates wealth for the country and not expenditures by government.

Two much maligned policies of this government in the past, the GST and the free trade agreement, are major cogs in preparing Canada to take advantage of that.

My hon. friends opposite like to decry these things. Quite frankly, they have been very successful in convincing many members of the public that these things have had a negative effect when in fact the negative impacts which have caused us so much difficulty in the last year or so are really the results of the recession more than anything else.

The GST and the FTA have provided a sound basis for the development of our economy and for the increasing competitiveness of Canadian manufacturers. Mr. Speaker, you do not have to take it from me, you can take it from the Canadian Manufacturers' Association or the Canadian Exporters' Association.

I would like to read a letter that the Prime Minister received recently from Mr. Vim Kokar of the Early Canadian Furniture Shops. He writes to the Prime Minister: "Dear Prime Minister: These have been very difficult times for many Canadians. Some of your endeavours have been very unpopular and I feel it has been very courageous on your part to introduce initiatives like free trade and the GST to enable us to compete in the international markets".

He continues: "The furniture business has been hard hit in Canada. It took a while to adjust to the new realities of the marketplace, but I am pleased to report that free trade has brought us new opportunities. This year our sales have doubled and we can clearly see a prosperous future ahead".

The results of the free trade agreement and the GST are an increase in Canadian competitiveness and an increase in market opportunities abroad for Canadians. We are going to see more letters like this as these policies continue to come into effect.

We listen to the people who are actually running the businesses. They are the people who are actually creating the jobs, not the labour unions. Labour unions do not create jobs. I would not, but some people would suggest that the role of a labour union is to feather-bed jobs. I think that is pretty harsh.

Where are labour unions coming from? They are supposed to protect the jobs of the individuals who are members of the union and get the best benefits. That is their job. That is why their members pay union dues. They are supposed to do that. However, let us not view them as objective critics of a trade policy that might mean adjustment in employment, both coming in and going out, both ways.

• (1300 )

We ought not be misled by people who have a vested interest in seeing Canada in terms of the old fortress mentality with high walls around it so that we do not have to face realities, such as competitiveness, which are there whether we like them or not, whether this government is in power or some other government is in power. Those things are not going to change.

The budgets of this government over the last few years have had an extraordinarily positive effect in terms of creating the kind of climate that has led the members of the G-7 and the OECD to say that Canada has the best prospects for growth of any country in the G-7. They have contained inflation. They have established price stability. They have led to low interest rates, down seven points in the last 18 months. The dollar has levelled off at a rate that enables Canadian companies to be reasonably competitive. They have the deficit under control. These are the results of the sound fiscal management of this government.

The budget that was brought down the other day clearly shows that we are beginning to reap the dividends that have been the result of those tough budgets of earlier years that were so decried by hon. friends opposite. Cuts in spending by this government have now led to cuts in taxes. Cuts in spending by this government have now led to a \$4 billion reduction in the deficit this year, and we can look forward to further reductions in years ahead.

The budget reflects what Canadians said. This Minister of Finance, probably more extensively than any Minister of Finance before him, went coast to coast in