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PRIME MINISTER LINKS
GROWTH AND UNITY

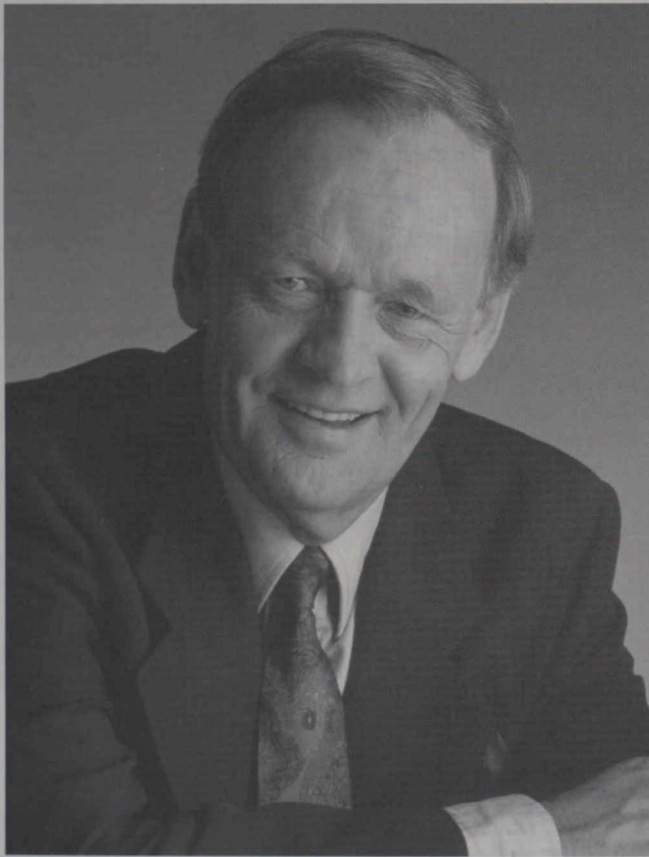
In his first major address since the election of a Parti Québécois government in Quebec, Prime Minister Jean Chrétien outlined a four-point economic agenda for his government that emphasizes the connection between sustaining growth and maintaining national unity.

The Prime Minister said in a major speech to the Canadian Chamber of Commerce in Quebec City on September 18 that his government would focus on reforming social security, meeting its deficit reduction targets, reviewing and restructuring all government programs to control their size and cost, and creating a climate for business that will encourage the creation of jobs.

He cited a new sense of optimism among Canadians, reflecting the growing strength in the national economy, which expanded by 6.4 per cent in the second quarter of this year. (See article on page 4).

Mr. Chrétien said that his first responsibility as Prime Minister of Canada, however, is to ensure the unity of the country. He said he would participate "as a proud Quebecker" and the leader of all Canadians in the debate on Quebec's future in the wake of the victory of the Parti Québécois (PQ) in the provincial election on September 12. The PQ is committed to holding a referendum on separation from Canada in 1985.

"Everyone knows where I stand," the Prime Minister said. "I come from Shawinigan. My province is Quebec.



Prime Minister's Office

My country is Canada. My language is French. And they are all compatible."

The Prime Minister said he would remind the international community that this is not the first time Quebeckers have been faced with such a choice and that "Quebeckers have always chosen Canada in the past, and will again in 1995."

In a referendum called by a previous PQ government in 1980, Quebeckers, by a margin of three to two, voted "no" to the option of sovereignty combined with economic association with Canada.

Mr. Chrétien said that "When the referendum is over, and Canada has won, we must go forward with strength and unity."

He said he will make the case for Canada by concentrating on his government's economic agenda: "on providing

good government, on promoting jobs and economic growth, on getting our fiscal house in order, on modernizing the roles and responsibilities of the federal government."

As a first step in implementing the economic agenda, Mr. Chrétien said that the Minister of Human Resources, Lloyd Axworthy, will table a discussion paper on social security reform in the House of Commons during the first week of October. The paper will focus on the government's three main goals for reform of the social safety net: helping those most in need more efficiently and more cost-effectively, contributing to the retraining and upgrading of the labour force, and removing disincentives to work.

An essential element in creating jobs, the Prime Minister said, is reducing the federal deficit and debt. His government has pledged to cut the deficit from over 6 per cent of Gross Domestic Product to 3 per cent by the end of 1996. He said Paul Martin, the Minister of Finance, will soon present an outline of the government's fiscal options for meeting the target to the House of Commons, beginning a round of public consultation leading up to the release of the 1995-96 federal budget in February.

In order to ensure that budget cuts are not made indiscriminately, Mr. Chrétien said the government is conducting a parallel evaluation of all government programs, led by Marcel Massé, the minister responsible for renewal of the public service. The review will consider whether some programs should be transferred to the provinces or the private sector. Their usefulness to the public, efficiency and affordability will also be assessed.

The final item on the government's economic agenda is improving the business climate, making it easier for entrepreneurs to enter the market and helping business take advantage of technological advances and expand markets abroad.

The Prime Minister expressed confidence that Canadians would celebrate the next Canada Day, July 1, 1995, "as a proud, prosperous, and above all, united country."