

## Promoting Growth and Job Creation in Canada

The jobs and growth agenda of the Government of Canada emphasizes getting the fundamentals right and promoting a positive climate in which the private sector can create jobs and economic growth. To achieve these goals, the federal government is taking steps to lower interest rates, increase productivity and encourage investment.

- Canada has achieved and maintained low inflation. The Consumer Price Index inflation rate has averaged 1.4 per cent in the past four years, its lowest sustained level in three decades. The official target is to keep inflation between 1 and 3 per cent through 1998.
- The federal government and the provinces are making great strides in putting their fiscal houses in order. The federal deficit will fall to 2 per cent of Gross Domestic Product in the 1997-98 fiscal year, at which time the debt-to-GDP ratio will start to decline. Furthermore, six of ten provinces are expected to post balanced budgets or surpluses in the current fiscal year. Actions to reduce deficits are largely in the form of expenditure cuts rather than tax increases.
- Canada's domestic competitiveness has increased dramatically in recent years, and we have been actively promoting trade links with the rest of the world. Our exports are booming, the trade surplus has reached record highs, and the current account deficit has been cut to the lowest percentage of GDP in a decade.
- To encourage greater productivity, the government is continuing with regulatory reform and has cut business subsidies by 60 per cent. Through privatization of Crown corporations, the government is withdrawing from areas of the economy where it is neither required nor efficient.
- Since productivity also depends so critically on innovation and technology, the government has a role in helping Canadians adapt to the knowledge-based economy. Fostering technology and innovation is important, not only for the emergence of high-technology industries but also for the efficiency and competitiveness of traditional Canadian industries.

These policies are aimed at providing the macro-economic fundamentals that will lead to strong job creation. In addition to these measures, Canada is taking steps to provide job-seekers with the proper incentives and opportunities to find meaningful work.

The Government of Canada is creating opportunities for youth, modernizing its social programs, and fostering partnerships with the private sector.