

*Routine Proceedings**[English]***THE ECONOMY**

Hon. John Manley (Minister of Industry, Lib.): Madam Speaker, under Standing Order 32(2), I am tabling a document, in both official languages, entitled "Building a more Innovative Economy".

I will have remarks to make apropos this document.

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• (1505)

*[Translation]***JOB CREATION AND ECONOMIC GROWTH**

Hon. John Manley (Minister of Industry, Lib.): Madam Speaker, before beginning my speech, I would like to join the Deputy Prime Minister, who spoke earlier, in wishing the leader of the opposition and his family a lot of courage on his way to recovery.

Today on behalf of my Cabinet colleagues, I am putting forward the next key part of the government's jobs and growth agenda. This plan introduces over 30 concrete measures involving ten Ministers and their departments "to help create a climate where business can create more jobs for Canadians", if I may quote the Prime Minister.

But before I turn to what we will do next, let us revisit where we were just over a year ago when this government took office.

[English]

We were faced with an unemployment rate when we took office of 11 per cent. Business confidence was volatile and consumer confidence was very low. After two years of a half-hearted jobless recovery, fewer Canadians were working and the economy was producing fewer goods and services than at the beginning of the decade.

As a government our first order of business was to work with other levels of government and the private sector to get the recovery moving. Our first weeks in office were characterized by decisive action, including the launching of the national infrastructure program. The reward for leadership and action has been a continuing rise in confidence and improvement in the overall economic conditions of the country.

Most important of all, more Canadians have jobs. Since taking office 414,000 jobs have been created by Canadians for Canadians. Only a year ago people were talking about unemployment rates in excess of 10 per cent to the year 2000. As of last Friday we broke the 10 per cent barrier and Canada's unemployment rate stands at 9.6 per cent. But the government believes it has to do better than just recover from the last recession.

The cycles of recession and recovery over the last three decades have shown some disturbing trends. Decade over decade average unemployment rates have risen, productivity growth has fallen and with it real incomes of Canadians have stagnated.

[Translation]

The time has come to reverse these trends. The time has come to get average unemployment rates down permanently. The time has come to increase productivity, thereby increasing real incomes. But you cannot do this simply by wishing or declaring it to be so. What is required is decisive action by government, wise investment by business and labour, and a new model of co-operation and partnership.

[English]

The government is taking decisive action. That is why we have launched a root and branch review of our social programs. That is why the Minister of Finance has set out a new framework for economic policy. That is why we are reviewing every program in every department and agency of the federal government. That is why the government is committed to reducing the deficit to 3 per cent of GDP, come hell or high water. That is why I am introducing Building a More Innovative Economy.

At the outset let me say that this plan will disappoint some. It will disappoint those who believe that government can and should do everything. That approach defined the success of economic programs by bigger budgets, not better government. That is an approach I reject.

This plan will also disappoint those who believe that the best thing government can do is nothing. That is not our view. We believe that economic leadership by government can contribute to economic success.

• (1510)

The fundamental premise behind Building a More Innovative Economy is that it is the private sector, not government, that creates jobs. What government can do is to improve the climate for the private sector to create those jobs.

Where can good government make a difference? The first priority is building a healthier marketplace. Business needs better access to the financing required to help it grow. It needs a labour-management environment that is more co-operative, less adversarial. It needs fewer and more focused government programs. It needs regulations that makes sense. It needs fewer demands from government to fill out forms and shuffle paper.

Tomorrow the President of the Treasury Board will announce the details of our plans for regulatory reform and paper burden reduction. We will use the power of government purchasing as a strategic tool for small and aboriginal business development and growth. My colleague, the Minister of Public Works and Gov-