

Government Orders

Surveys for 1994 indicate that public and private sector investment will be up an impressive 4.2 per cent over 1993. Strong gains and competitiveness are behind the firming of economic growth and they too augur well for the future.

Unit labour costs are down and productivity is up. The big unit cost gap that opened up between Canada and the United States has essentially been closed. Our record export growth is the result.

• (1210)

Those facts paint a picture of a competitive economy moving in the right direction. This was further confirmed by the March labour force numbers that came out last Friday. The unemployment rate dropped a full half percentage point, the largest contraction in 10 years since June 1984, and 114,000 new jobs have been created over the last two months, the strongest two month gain in almost five years. I welcome such news and all Canadians welcome this type of news.

There is no question we continue to face challenges and uncertainties. Dislocations can always emerge, sapping public confidence. That is why good news is never an excuse for complacency. That is why we will forge ahead with our strategy of re-engineering the way government operates and the programs it provides. These contribute to a stronger, more flexible Canadian economy.

Our action on unemployment insurance is an excellent example. We reduce spending on UI, something that will save us money. That also means we can roll back payroll taxes that have cost jobs across this country.

Looking at Europe anyone can see the cost of rigid labour market policies. We in Canada were close to developing a similar rigidity. We have now begun to move toward a more flexible system.

The redesign of unemployment insurance with greater emphasis on training to reintegrate the jobless and to discourage habitual dependence will make Canada's labour market much more flexible and efficient than is currently the case. The ultimate result will be a greater national capability to generate growth and, most important, jobs.

I have highlighted areas where our government is committed to fundamental, forward looking change, deficit reduction, support for job creation, social program reform, the process of budget making.

In closing, there is another area of change I want to emphasize. In our endeavour we are taking a new approach to the work of government. It is an approach based on openness, consultation and communication. That is why we framed the 1994 budget as the first part of a two stage process. It took immediate action to meet vital immediate goals but also launched the process of

policy review and public debate that will lead to further action in time.

Such an approach is not a case of deferring action or evading responsibility and leadership. Rather, it addresses a fundamental fact in Canadian life, a fact that impacts directly on economic relations. That fact, most important to this government, is that without reasonable consensus and a real sense of public participation and public ownership dramatic change can become a disastrous failure. We do not intend to create this type of failure because Canadians deserve success.

This budget was developed in the most open process we have seen in Canadian political history. It involved meetings across the country and involved an opportunity for Canadians to write the minister, participate in meetings and make their views known.

This process of openness will continue. We have evolved an open process on the budget in which we gave people in different cities a chance to set out the parameters for the expansion of the economy, for assisting the unemployed, for creating jobs and at the same time to begin to deal with the deficit which is a very real burden for all Canadians.

We will continue this process through the House of Commons, through the committee on finance this fall in which we anticipate the 1995 budget process will be even more open and more visible and more transparent so that Canadians can begin to understand and feel part of a process that spends billions of their dollars each year.

This bill will help achieve that success by moving us to real bottom line fiscal improvement and renewed business and investor confidence.

For this reason I have no hesitation in encouraging all members here today to pass this legislation so that we can continue to move ahead with vigour and vision.

• (1215)

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, I listened attentively to the hon. member's remarks and I feel that they represent the views of the Liberal Party. He is content with the budget initiatives put forward by the federal government and I find his speech extremely dangerous, despite his eloquence. He may be trying to lull people into a false sense of security. You know about the current crisis in Canada. I saw the poverty in my riding two weeks ago. One does not have to look very far to see that poverty is widespread; unemployment is very serious and people are concerned about the confidence they placed in the current government because they know that it did not do much in its last budget. It tried lukewarm measures that lack conviction, that lack direction.

For example, to reduce the deficit, the hon. member seems content with the deficit reduction that was announced and with the fact that the goal may be achieved, but I feel that several