

principles of poor management had continued to be implemented.

The deficit for 1986-87 will be \$8.3 billion less than it would have been without the restraint measures we proposed in the recent Budget.

The direct impact of all the efforts undertaken last November will therefore be to reduce the deficit by some \$20 billion by 1990. About 80 per cent of this decrease in the deficit will be the direct result of better program management and greater cost recovery, in other words of a good administration.

The Government has undertaken to reduce the projected level of annual expenditures by \$10 to \$15 billion by 1990. The total spending cuts in 1990-91 will therefore amount to some \$16 billion. Our medium term strategy ensures that the national debt will be about \$75 billion less by 1990 than it would have been otherwise.

It must be kept in mind that the main thrust of this Budget is to create jobs. The main purpose of this Government is to create thousands of permanent jobs for all Canadians. Indeed, since our coming to power, 200,000 new jobs have been created thanks to the new confidence generated in the commercial, business and industrial sectors of Canada. The Budget has also laid the foundation of a sound economy, which will allow us to create thousands of other stable jobs.

One thing became quite clear during our consultations. Employment is our No. 1 priority, but this does not mean a vague and indifferent process of creating doubtful jobs. What we need are not temporary jobs, which were often directly or indirectly subsidized by transitional Government programs. No, what the Canadian people want and deserve are jobs created by the private sector or through local initiatives, that is by themselves. We all agree that self-sufficiency is much better and more productive than the paternalistic assistance of the welfare state.

The economic renewal and job creation approach outlined in the Budget of May 23 follows three major themes: first, in the Budget, we express the need to promote local initiatives and the private sector by rewarding success instead of subsidizing perhaps worthwhile but, unfortunately, often unproductive efforts; second, we are improving the management and effectiveness of public administration in order to give the taxpayer more for his money, that is to give him the services he deserves; third, we want to cut the deficit through strict control over our dreadful national debt.

Our initiatives to stimulate the growth of the private sector aim first at promoting job creating investments, for instance in our own small businesses in Quebec. Canadian businessmen have a much better sense of business, trade and industry than our public servants. Our initiatives to promote better government management will create a proper framework for the expected growth of the private sector while limiting the

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bothersome influence and harmful interference of the unwieldy government bureaucracy.

Finally, our action to cut the deficit is carefully and sensibly balanced to meet these medium-term objectives so as not to hinder the needed economic recovery. This does not mean that the Government will no longer deal with job creation or training. For instance, the Government has allocated some \$900 million more for job creation and training programs next year, in addition to the \$900 million already appropriated for the same purpose this year. On the other hand, the spirit underlying our programs thus funded is very different from what it was with previous programs. Funds will be used for programs based on a larger input by the private sector and the community. This partnership approach besides will result in a consensus being reached among the Provinces and the local groups across the country.

Mr. Speaker, an extensive review of the unemployment insurance program also is under way. Its purpose is to improve and simplify that program, in order to make it more equitable and more responsive to current changes in the labour market. Contrary to what some prophets of evil would have us believe, this Government's objective is anything but wanting to reduce federal help to the unemployed. And this Government's determination to bring about an improvement in the unemployment insurance system is illustrated by the two changes announced in the budget, namely that the variable entrance requirements allowing the unemployed in distressed areas to draw benefits at an earlier date will actually be extended for another year.

Further, unemployment insurance premium rates in 1986 will be the same as in 1985, so as not to unduly increase the costs for employees and employers. Mr. Speaker, this Government's determination to reduce the deficit stems from the relentless reality of the experience we have had with the negative effects of our heavy national indebtedness on economic growth and job creation.

Mr. Speaker, as I mentioned earlier, the previous Government's mismanagement has created a vicious circle from which we are just starting to break away. The fast accumulation of our national debt is still for the moment forcing us to allocate a significant percentage of the public funds to the payment of interests rather than to the programs and the social services that are so badly needed. Now we must extend our borrowing authority, Mr. Speaker. However, let us not lose sight of the fact that deficit reduction and job creation are not mutually exclusive, quite the opposite. If an increasing deficit and a huge debt could create jobs, there would not have been a single unemployed on Canada's labour market for a long time!

This Government's objective, as evidenced in the Budget of May 23, 1985, is indeed to decrease the deficit in a reasoned and responsible way, in order not to have the economy edge away from its current pattern of steady growth. Were it not for this Government's determined action to bring the deficit under control, the Canadian economy would be unable to