

Canada Weekly

Ottawa
Canada

Volume 13, No. 24
June 12, 1985

Federal budget encourages private initiative, 1

Irish prime minister visits, 2

Foreign relations review, 3

Canada-US cleanup, 3

New offshore standard set for oil and gas, 3

Canadian veterans remembered on VE-Day anniversary, 3

Training future high-tech entrepreneurs, 4

Successful sales in Panama, 4

Quality pipeline representatives at Munich trade fair, 5

Four scientists receive Killam Memorial Prizes, 6

Commonwealth forestry visitors, 6

Flare features fashion, 6

News of the arts — exhibition, prize music, Indian dolls, 7

News briefs, 8

Huddle up tight and don't horse around, 8

Federal budget encourages private initiative

Minister of Finance Michael H. Wilson, presented a new federal budget, May 23, aimed at encouraging private initiative, and building growth and lasting jobs for Canadians. In addition, Mr. Wilson said the budget is designed to produce more efficient and more effective government and it contains tough measures necessary to reduce the deficit.

Introducing the "private initiative" budget to the House of Commons, the finance minister said: "My budget calls for Canadians, not government, to choose what is best for Canada. And it challenges Canadians by rewarding success, not subsidizing effort."

In order to secure economic renewal, Mr. Wilson said the budget measures "will encourage private initiative throughout our economy and provide new opportunities for Canadians to innovate, create and build". He added that the measures "will spur economic growth and increase employment".

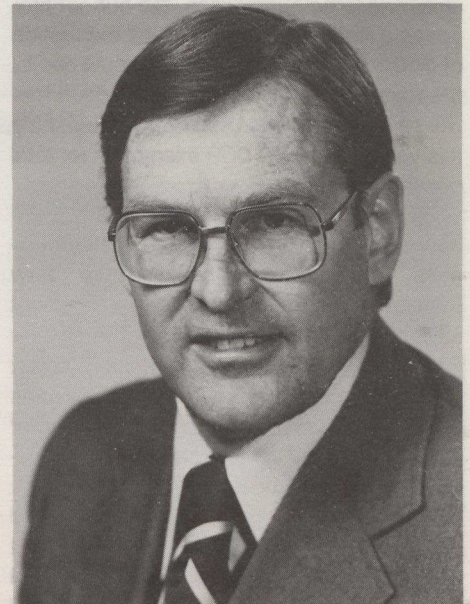
Full consultation

The budget was created with the influence of what Mr. Wilson called the most extensive round of pre-budget consultations ever held. The actions in the budget are also consistent with the urgent priorities for international economic renewal affirmed by the leaders of the major industrial nations at the Bonn Economic Summit, he added.

Mr. Wilson stated that "at home and in concert with our international partners, we are working to free up the entrepreneurial spirit to remove obstacles to productive growth, to lower barriers to international trade, to control and reduce high deficits, and to let the dynamism of our renewed economies produce jobs and opportunities for all". He pointed out that reflecting the critical importance of open markets for our products, Canada is in the vanguard of countries pushing for the early start of a new round of multilateral trade negotiations.

Economic growth

The finance minister noted that the outlook for sustained and balanced growth in the world economy is better than it has been



Minister of Finance Michael H. Wilson

in years. Real growth in 1984 was 4.7 per cent, the highest since 1976. Inflation averaged 4.4 per cent, the lowest since 1971. Interest rates have declined and longer firm mortgages are beginning to appear.

Mr. Wilson said we must still be concerned by the realities of a slowing American economy, high deficits and their effects on interest rates, and protectionist pressures. Further, while more than 200 000 jobs have been created since the Conservative government took office, there are still close to 1.4 million unemployed.

Securing economic renewal

Dealing with the cycle of unemployment and debt, the budget points out that high deficits constrain the ability to promote growth and job creation, while high unemployment in turn contributes to even higher deficits and indebtedness. The new budgetary measures along with the economic statement announced to the House of Commons on November 8, 1984 (See *Canada Weekly*, December 5, 1984), are geared to the widening gap between expenditures and revenues. Program expenditures are ex-



External Affairs
Canada

Affaires extérieures
Canada