next five years. Of course, the Budget document acknowledges that there is a risk with interest rate assumptions. They are based in part on further assumptions about government deficits in the United States and elsewhere. The assumption is that the size of the government deficit and interest rates in the United States will decline as a portion of national income. We are making that assumption. But it is an assumption that will be underpinned by actions here in Canada to ensure, to take an example, that we do not cause inflation by excessive wage settlements, or by the Public Service leading the private sector in the level of wage settlements. We have committed ourselves in this Budget, as we move out of the period of six and five restraint, to control the levels of wage settlements in the public sector. We have also moved to ensure that the administrated prices for which the Government has a responsibility will not exceed 4 per cent in the time ahead. These are direct action plans by the Government to help ensure that we do not, as a country, face high interest rates again.

As well, we have moved toward the real answer to high interest rates in so far as they are within our national control, that is, to increase productivity within our country to ensure that we in Canada become more internationally competitive. Productivity is the essential answer to inflation and to high interest rates. That is why we have put in place in recent months a national productivity centre which carries the full support of labour and business and why in this Budget we have offered, for example, a profit-sharing plan that can encourage workers and employees to take a greater share in the success of their own company, through their own hard work and their own efforts, and to benefit from greater productivity. These measures will help to answer the questions about the likelihood of higher interest rates in Canada.

● (1720)

The third problem with regard to the motion of the Hon. Members opposite today concerns unemployment in Canada. We have recognized quite clearly in the Budget that unemployment is at a very high level in Canada. There is no question of that. We are saying also that it will continue to be at a high level in the time ahead. None of us take any satisfaction in that. None of us rejoice in that fact. What we are saying is that we shall make every effort—we have been making every effort—to reduce unemployment in Canada.

Part of the difficulty with which we are faced in Canada is a growing work force. It is increasing at a rate which is unparalleled in most industrialized countries. As new jobs are created—some 400,000 additional jobs in the past 12 months or so—they are more than filled by those joining the work force. That is a challenge for us. It is certainly no cause for despair.

The Hon. Member for St. John's West during his amusing little speech the other evening castigated our unemployment forecasts in the Budget by comparing them to a fish on the beaches of Newfoundland, that it is "shiny on the surface but . . . rotten inside". In amending John Randolph's noted observation about a political opponent, the Member opposite might have asked himself to whom the full quotation could best apply, and I quote, "He was a man of splendid abilities but utterly corrupt. Like rotten mackerel by the moonlight, he shines and stinks". I digress for a moment merely to draw attention to the real applicability of the Hon. Member's use of John Randolph's observation.

In fact, the unemployment figures in the Budget recognize the economic reality facing Canada. To that end, the Government has put in place a comprehensive program to help economic recovery. I speak of course of the April 1983 Budget. In that Budget we designed a four-year effort, an effort which offered early capital spending by the federal Government and early increases in the training of workers to help ensure that the foundation is there for our further economic recovery. Half of the $4.8 billion under the four-year Special Recovery Program is being directed into Special Recovery Capital Projects. Those projects will have their main impact during 1984-85. In the coming fiscal year, $1.1 billion will be invested in public facilities essential to our future economic growth.

In addition to the Special Recovery Program, other government programs are providing direct employment and job training for Canadians. We have committed something over $2.3 billion for that purpose in the coming fiscal year. It is important that we keep these facts in perspective when we are talking about the support being given by the Government to the economic recovery. For example, the Budget announced that an additional $150 million is being allocated for the Youth Opportunity Fund. Some people have tended to lose sight of the fact that this is in addition to more than $1 billion for that fund announced in the Speech from the Throne in December. Altogether the Government is committing more than $3.5 billion in the coming fiscal year to Special Recovery Capital Projects and to direct employment support. That is about $500 million more than in the previous fiscal year.

The motion before us also castigates the Budget for absence of "meaningful" pension reform. I do not know what in this context the adjective "meaningful" means. It must imply that in some way it is thought that the pension reforms are inadequate or perhaps long in implementation. Let us be clear on what we are talking about. We are talking about fundamental issues which affect every Canadian and indeed every business in Canada. We are talking about protection against inflation for future pensions. We are talking about the provision of pension portability. We are talking about people being able to move their pensions with them, in a way that they have never had that opportunity before in Canada, as they move from one job to another. We are increasing the mobility of workers indirectly in that way, which can also bring indirect economic benefit as well as direct benefit to the individual. We are proposing broadened pension coverage for full and part-time workers, again in a way unique in Canada. We are proposing changes to the Canada Pension Plan which will require provincial concurrence, but will certainly bring about better pension coverage for Canadians. We are proposing changes in tax incentives for private pension savings which will help to put all pension plans on an equal basis for tax purposes.