

Supply

[Translation]

Mrs. Anna Terrana (Vancouver East): Madam Speaker, I welcome this opportunity to rise in this House to participate in this debate on job creation because I believe the government's proposal is full of vision.

The Minister of Industry recently made at a G-7 meeting in Detroit a speech in which he stressed the need to maintain a stable economic environment to stimulate job creation.

The economic challenges facing Canadians are well known. Unemployment is too high and budget deficits undermine governments' capability to take remedial action.

All G-7 nations are facing similar problems. Within most large economies, consumer confidence has generally remained low, reflecting unemployment rates which are high and still rising as well as continued uncertainty with regard to employment. We cannot take a piecemeal approach to these problems. A comprehensive approach is required.

The government recognizes that the task at hand is as simple and at the same time as difficult as setting the economy back on the road to growth, because the solution to our problems is just that, growth.

[English]

The government has begun the work of implementing a long term growth strategy for a durable recovery and job creation. It has three elements. The first is reducing the deficit. Canada is committed to reducing its deficit to GDP ratio 6.4 per cent in the fiscal year 1993-94 to 3 per cent by 1996-97. This is a realistic plan based on cutting \$5 in expenditures for each \$1 in new revenue raised.

Second, it will reduce the impediments to growth by ensuring the right framework for business expansion in the three areas of trade, training and infrastructure. The signing of the GATT and NAFTA agreements will be a major boost to our exports and will lead to many jobs and opportunities in Canada. We are also increasingly focusing on the Asia-Pacific region and was in which Canadian companies can participate.

The Minister of Human Resources Development's initiatives to ensure that Canada's labour force is ready to tackle the new opportunities will be a major determinant of our success. Social security reform will create jobs for Canadians.

Further, the government's infrastructure program is helping the economy to get moving again. This is a short term job creation program that recognizes the impact that smart investments in infrastructure can have on long term job creation.

Third, the government will provide leadership for Canada's transition to the new economy. Growing companies take risks and use science and technology to the fullest. They are, in a

word, innovative. There is much that can be done to promote innovation but this was perhaps the area of greatest neglect by Canadian governments in the 1980s. It is the area of greatest potential for restoring growth in the economy in the 1990s.

• (1635)

[Translation]

To provide adequate leadership for transition to this new economy, we must promote the development and use of new, innovative technologies by the private sector; examine the needs of small businesses and the opportunities coming their way, particularly in the case of extremely innovative businesses; co-operate with the private sector to put in place the infrastructure required by the new economy.

[English]

The approach to job creation that the government is following relies on the ability of technology, whether newly created through R and D or adopted and more effectively diffused to a greater number of companies to create jobs.

Technology and innovation are central to the solution of the unemployment crisis. Higher productivity brought about through the application of new technology and innovation leads to higher income and to more and better jobs.

A recent study by the Department of Finance found that technology intensive industries produced 47.7 per cent of the new jobs created between 1984 and 1991. Industries that were both high tech and high knowledge users contributed 46 per cent of new jobs, although they accounted for only about one-third of total employment.

In the recent budget we began the process of implementing a new agenda through which technology plays a central role in our approach to job creation.

[Translation]

Another driving force of our economic growth is small business. Not only do the vast majority of existing businesses fall into that category, but they are also our main source of job creation. In fact, during the 1980s, 87 per cent of all new jobs were created in that area. In 1991, 53 per cent of all Canadians in the private sector were either self-employed or working for businesses with fewer than 100 employees. Technology, combined with horizontal management structures and flexibility, can help small businesses adjust quickly to respond to changing consumer needs.

According to a recent government study on the growth of some 2,000 small businesses, companies that make use of technology, develop their own innovative technologies or concentrate on technology diffusion or adoption achieve better results in terms of growth.