

*The Address*

Canadians which have become a real straight-jacket on our further economic growth.

In its second goal of economic management, one has to conclude again that the performance of this government has been a failure. Canadians will regard, with real scepticism, the phrase in the Speech from the Throne that the government, in the time ahead, will be committed to deficit reduction.

On the first two counts, we have to regard these commitments, brief as they may be, and I understand why they should be brief given the government's record, with real scepticism, as we must regard the third element in its economic program for the time ahead: tax reform.

This government came to office promising major tax reform, tax simplification and tax consolidation. What in fact do we have? We have today a tax system which is at least as complicated as it was when this government came to office. So much for tax reform. The fact is that by adding taxes on 32 occasions since it came to office, this government has not only imposed an increasingly heavy tax burden on individual Canadians and on Canadian business, most recently of course in the case of the goods and services tax, but in so doing it has also complicated the tax system and rendered it even more complex than it already was.

The opportunity for Canadians to benefit from a tax system which would offer incentives to those of an entrepreneurial character, to those who want to improve their own skills, to have the full opportunity to participate in our national economy, to move freely in our country, has been denied by the government's consistent failure to fulfil its promise both to simplify our tax system and to reduce the tax burden on individual Canadians and corporations.

That is the third of the major areas in which one can only view with real doubt the degree of commitment the government is making in the Speech from the Throne when it repeats yet again that it will reduce interest rates, that it will reduce deficits and commit itself to real tax reform.

• (1230)

I want now to turn to a fourth major area in which the government has identified a priority in the Speech from the Throne, the area of international trade. Here the government limits itself in fact to the free trade agreement and to the prospect of a North American free trade

area. We look in vain for any evidence in the Speech from the Throne that the government has committed itself to a truly global approach in our international economic relations.

Canada has prospered since the end of World War II by its commitment to a global economy in which tariffs have consistently been reduced or eliminated, and Canadian governments, recognizing that Canada is a major trading country, have sought to give further prosperity to Canadians by pursuing the global route in our economic relations.

This government has chosen instead to adopt a continentalist approach. It has, as it were, chosen to place our economic interests even more in the U.S. basket, as it were, than it did in the past. In the Speech from the Throne, the government justifies its commitment to continentalism by stating that the U.S.-Canada free trade agreement has helped to secure the Canadian economy in difficult times.

What evidence does it offer for this bald statement? All it offers is more that foreign investment—according to its statistics—has come into Canada to a greater degree than has been the case in the recent past.

What is the government claiming by saying this? Is it saying that the investment has been in those areas of high economic growth internationally; that it is rendering Canada more competitive? It offers no evidence of the benefits to Canada of this particular growth in foreign investment. Aside from that particular point, is this the final justification for the U.S.-Canada free trade agreement? When the agreement was first mooted, we were all assured that secure access to Canada's major market was the principal goal of those committed to the negotiations.

In fact, that realization of secure access has not been there. The government knows this. The government knows that the free trade agreement is only half completed. Under the terms of the agreement, the whole question of subsidies, a major difficult, complex question, has been left aside. The government says nothing about this in the Speech from the Throne. Yet it must know that during the course of this new Parliament, which we have just embarked upon, the question of subsidies, that is the other half of the U.S.-Canada free trade agreement, will come to a head. It will necessarily have to be dealt with.