

Vancouver. However, those people do not have those opportunities because of the drag on the economy by the Government's tax policies.

The Hon. Member asks whether or not tax reform should be neutral. I am surprised to hear him suggest that the Government may even slip away from its commitment in the Throne Speech to reduce the rates of personal income tax. He is suggesting that that is a wrong move. I believe that personal income taxes for many working Canadians are too high. In order to have a fair tax system we must bring those tax rates down at the same time that we increase the share that is taken by the corporate sector. We should not try to bootleg another personal tax by calling it a business transfer tax.

[*Translation*]

Mr. Deputy Speaker: Debate. The Minister of Regional Industrial Expansion and Canada Post (Mr. Côté).

Hon. Michel Côté (Minister of Regional Industrial Expansion and Canada Post): Mr. Speaker, I am very pleased today to take part in the debate on the Address in reply to the Speech from the Throne.

I am all the more pleased to do so that the Speech from the Throne advocates a number of initiatives which have become essential to most Canadians, particularly those who have to deal with business circles, be they owners, investors or working men and women.

Mr. Speaker, like my hon. colleagues, Canadians are quite aware that our country is now experiencing unstable economic conditions to which it must constantly seek to adapt.

Ours is an industrial and trading nation. We depend on trade, be it to develop our raw materials or to maintain the economic strength of our industries and our service sector. Canadians are first-rate managers, innovators and traders. Our labour force is skilled and very productive and, more important still, our competitiveness is second to none in practically all economic sectors, despite our own limited domestic markets.

Most international experts agree that we do have such qualities. In his speech last Friday the Prime Minister (Mr. Mulroney) referred to the European Management Forum. What are those experts telling us? They are telling us that Canada's competitiveness has improved to such an extent over the last two years that, on the basis of their own classification, Canada climbed from 11th to 6th among the major industrial nations. Not a bad performance compared with that of our competitors. If we persevere, Mr. Speaker, I can assure you that we can do even better. However, we have to face three major challenges.

First, as a trading nation, we must have full access to the international markets and capital necessary for our economic growth. Our welfare depends on it. In addition, as a greatly industrialized country, we must continue to be productive and competitive internationally. We must keep up with the latest technology and use all our creativity and ingenuity to adapt to

the evolution of the world economy. The economic future of our country requires us to do so.

Finally, as a nation made up of different geographic and cultural elements and based on the principles of equity and solidarity, we must try to achieve a balanced growth in all regions of the country. This is necessary for the integrity of our Confederation.

● (1240)

[*English*]

You, Mr. Speaker, and all Hon. Members know that economic renewal has been this Government's first priority. We have achieved real and substantial progress since September, 1984, but do not take my word for it. Let me quote as follows from the annual report of The Canadian Manufacturers' Association as it commented on the economic accomplishment of this administration:

The restrictions of FIRA, reflecting a narrow and destructive nationalism, were removed and Investment Canada is now working aggressively to encourage investment here . . . The previous acrimony in federal-provincial relations has given way to a more positive nation-building approach to our problems.

The past year saw continued progress in restoring fiscal sanity in federal Government finances . . .

A competition Bill was . . . introduced which . . . contains explicit recognition of international competition while at the same time providing . . . protection against abuse of dominant position . . .

Major tax changes aimed at greater neutrality . . . were also introduced.

This is a most impressive record, one that is certainly the envy of some of my hon. friends who used to sit on this side of the House. Naturally, Mr. Laurent Thibault, the President of The Canadian Manufacturers' Association, gives his Members credit for assisting in these accomplishments. I most certainly concur, and I am sure all Hon. Members would agree with me that all Canadians should take credit for this record, as well as for continued low inflation, lower interest rates and lower unemployment.

Obviously, as Minister of Regional Industrial Expansion I am particularly concerned with reconciling the imperatives of industrial competitiveness with balanced economic opportunities across Canada. My Department is dedicated to the development of Canadian industry, especially in the manufacturing and service sectors, and to building on the opportunities for development that exist across Canada. We intend to achieve these objectives in co-operation with the private sector and with the provincial Governments.

As Minister responsible for Investment Canada I am also concerned that Canada obtain a growing share of international investment because we need this investment to increase employment in all parts of the country.

[*Translation*]

Mr. Speaker, one of the crucial contributing causes to slow development is often a lack of capital, and in this regard, I would like to remind the House that the first Bill we introduced in this place was the one which created Investment Canada. This agency, for which I have the honour to be