

- Fourth, he confirmed that Red Book III would constitute the basis for government action in the next four years and this would be reflected in the speech from the throne which we have now had at the end of January;
- and fifth, the Prime Minister underlined the need to look at the fiscal surplus in light of the many pressures on the public purse and invited his ministers to look at their programs with a view to reallocate resources to new initiatives.
- This brings me to speak about the fiscal context in which we have to operate and here, the following elements should be noted:
 - So far the government has considered that the economic and fiscal framework presented in Paul Martin's economic statement in October remains valid: the policies announced at that time remain and the government has yet to determine when a new budget will be introduced;
 - Although the Canadian economy has been performing well lately, with strong growth in 2000(4.7 %), a strong domestic demand, tax relief coming into effect and inflation under control, there is no doubt that we are vulnerable to the quick slowdown of the American economy;