

The federal proposals suggest enhanced federal-provincial co-operation in managing the economic union through a Council of the Federation. Furthermore, the federal spending power would be controlled by ensuring that it not launch any new shared-cost program without the agreement of seven of the ten provinces constituting 50 per cent of Canada's population. The suggested changes would be flexible enough to allow any province to opt out of the program, with compensation.

We are also suggesting that the Bank of Canada have a specific, clarified mandate to fight inflation, and we want to develop guidelines with the provinces to harmonize federal and provincial fiscal and spending policies. These changes are not in any way aimed at existing institutions, such as the Caisse de Dépôt or the Mouvement Desjardins. The fact is that the federal government has already demonstrated its concern for the development of unique Quebec financial entities through its support for the Fonds de solidarité. Our aim is simply to create a domestic market that is not fragmented by internal trade barriers.

To Quebec businessmen, I throw out a challenge. You need a strong economic union. I need your suggestions which could improve the government's proposals -- I think the package is a good one. All provinces need a strong economic union. Let's work together to find a better way of reaching that common goal.

The final component of the Prosperity initiative is international trade. The Government of Canada is more than ever committed to negotiating a successful conclusion to the Uruguay Round of multilateral trade negotiations for a more liberalized international trading system.

But governments can only negotiate treaties and help with trade promotion and business development. It is up to the individual businesses to take the initiative to export. I know Canadian companies in many sectors who are already leading the way towards alliances which encompass the entire gamut of innovative trade development. Such relationships give them access to important new markets and essential marketing know-how. As the relationship broadens it can develop into the areas of investment in shared research and product development, and cross-licensing.

The partnership can then expand into co-operative marketing and manufacturing alliances which may well lead to personnel exchanges. Eventually a strong partnership can be built which can compete with the best in the global marketplace.

Given the size of the Canadian market, for many small and medium companies such strategies are not just strategic options, they are options for survival. Our goal then, must be to encourage the two-thirds of Canada's 40,000 manufacturers who do not export to seize the opportunities of the U.S. and Pacific Rim markets. We must determine the best way to give exporters and potential