



Statements and Speeches

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STRATEGY TO SOLVE PROBLEMS OF ECONOMIC MALAISE

Notes for an Address by the Honourable James Kelleher, Minister for International Trade, to the Fifty-fifth Annual Meeting of the Canadian Chamber of Commerce, Toronto, September 25, 1984.

...As you know, I am one of the new faces in the new Progressive Conservative government. It is, therefore, not my intention to break new ground in my capacity as Minister for International Trade. These are early days, and I plan to approach the many complex trade issues facing the country in an orderly and prudent fashion. We will be seeking your ideas. We will listen. And we will act.

Instead, I thought it would be useful to reiterate the economic strategy outlined by the Prime Minister to the Vancouver Board of Trade in late August — a speech which contained many important ideas but which received limited exposure in other regions of the country.

As the Prime Minister stated that day, the strategy of the Progressive Conservative government will be based on our belief that Canadians must address five fundamental problems which lie at the core of our economic malaise:

- (1) the high cost of credit, caused by the weakness of our dollar and our need to finance our growing foreign debt;
- (2) the financial weakness of our private sector. Too many Canadian businesses — both large and small — continue to struggle with too much high cost debt and not enough low cost equity;
- (3) our spiralling public debt, which will have grown from \$18 billion in 1968 to \$180 billion at the end of the current fiscal year;
- (4) our weak competitive position in the world, caused in great part by our dismal record in research and development and technological innovation; and
- (5) weak foreign and domestic demand for our goods and services.

We believe those are the five fundamental problems which have combined to cause economic stagnation and massive unemployment.

So how do we go about solving them? Let me outline the approach of the new government.

First, lower interest rates. There is no use deluding ourselves that Canada can have made-in-Canada interest rates overnight, unless we want to change from an open and mixed to a closed and fixed economy. And that would mean a huge drop in our standard of living.
