

The proposals the Government announced would see changes to our political institutions and to the balance of powers between the federal and provincial governments, and included are some far reaching proposals aimed at making our economic union work more effectively.

More than a few commentators are saying that much hinges on acceptance of the proposals intended to shape a new economic union that will serve as the basis for a more prosperous future. The linkage between Canada's prosperity and national unity is widely accepted -- a very positive development indeed.

Our program for enhancing the mobility of people, goods, services and capital within Canada is key to strengthening our economic union.

In an era of growing international business linkages, Canada simply has too many barriers to trade within the country.

Our ability to compete in global markets is hindered by antiquated restrictions to the free functioning of our internal market. So we propose that, by 1995, "section 121 should be modernized to enhance the mobility of persons, capital, services and goods within Canada...."

Two key provisos are attached to this idea. First, there should be no slackening in current efforts to remove the some 500 existing barriers to interprovincial trade. And, second, there are legitimate circumstances for governments to maintain some barriers, such as reasons of national interest, regional development or equalization.

The modernization of section 121 is part of a range of proposals to strengthen the economic union by giving Parliament "a new power to make laws for the efficient functioning of the economic union" and by harmonizing the fiscal policies of all Canadian governments, along with the nation's monetary policy. Canadians are concerned about the lack of co-ordination of federal and provincial government policies.

The federal proposals respond to this concern by suggesting 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. Any province could opt out of the program, with compensation.

I urge Canadians to consider the overall balance struck in this package of proposals. I believe that, together, the package