

we reflect more faithfully the values and traditions in which they believe and we present policy that they can support. I respectfully urge the Leader of the Opposition to talk to his excellent Member of Parliament because I think he might learn a few things for the next campaign.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I look forward to seeing my right hon. friend in the next campaign.

Some Hon. Members: Hear, hear!

Mr. Mulroney: And in fact I know the Leader of the Opposition and I both look forward to seeing the Leader of the NDP in the next campaign because we know the NDP cannot do any better. That is for sure.

Some Hon. Members: Hear, hear!

[*Translation*]

Indeed, Mr. Speaker, money that could go to social and cultural and environmental and defence programs goes instead to pay the mounting interest on the national debt, which this year claims 31 cents of every dollar of government revenue. These payments are completely non-discretionary. They are unfortunately not expenditures we can cut. And, bad as it is, that is not all.

Large deficits contribute to rising interest rates. Business investment becomes more expensive. Many projects are scaled down or delayed as a consequence. Jobs are not created. Prosperity narrows. Every new or renewed mortgage becomes more expensive—as does every family car bought on credit and every student loan. Interest rates are indifferent, even disdainful, of the borrower's ability to pay, of his or her plans or problems, of the benefits the investment could create.

Nothing this Government can do, Mr. Speaker, will help all Canadians and the average Quebec voter more than getting interest rates down. To get interest rates down, we have to get the deficit down.

Canadians know that expenditure restraint is not an end in itself: it is necessary to sustain our prosperity. And I am confident that in the end, Canadians who share our vision of Canada, who believe in the potential of this unsurpassed land, who know that our prosperity depends on our competitiveness, who realize that support for social programs and the arts depends on Canada's economic health, will—I think massively—endorse the program of the Progressive Conservative Government.

The Address—Right. Hon. Brian Mulroney

Some Hon. Members: Hear, hear.

Mr. Mulroney: The important part of our program is tax reform. Many people may not even know that there is a federal sales tax, but there has been one since 1924. It has been no less pernicious for being invisible. It is a profoundly discriminatory tax—it discriminates against consumers and against Canadian producers. Over time, it has hampered our industries' competitiveness as they take on firms from around the world. And it is unfair in its impact on consumers.

Sales tax reform will be implemented in an equitable and effective way to boost our exports, stimulate investment and provide a secure and reliable source of revenues to sustain the essential government services which define us as a nation. Building an economy that is competitive will fuel our prosperity, safeguard our jobs, underwrite our social programs, finance our cultural and scientific development and give us a seat at the table of international affairs.

[*English*]

We will do this, Mr. Speaker, by doing what Canadians can do extremely well, trading to earn our way in the world. Last year for example we exported 34 per cent of everything we produced. Among the major industrialized countries, only Germany has a more export-oriented economy. In population we rank thirty-first in the world; in trade, seventh. According to GATT, Canada counted for 4 per cent of all the trade in the world, a remarkable figure, a remarkable accomplishment for a nation such as ours. While consolidating our largest and most fruitful trading relationship and implementing the free trade agreement with the United States, we will extend our horizons to GATT, to the success of the Uruguay Round, to our friends in Europe and to the remarkable possibilities that exist for Canada and for all of us in the Asia Pacific region. What we are seeking are fair rules of trade and the elimination of barriers.

Canada's agricultural producers can compete with farmers anywhere if the game is fair. But in the name of international agricultural trade, in that kind of forum, all people cannot compete with their European and American counterparts when trade distorting subsidies ignore market disciplines and threaten to break national budgets. Nor can our fishermen observe prudent fishing regulations and turn a blind eye to predatory fishing