

spectacular vision of Canada and its people through this Imax film presentation now being produced by the award-winning National Film Board of Canada.

Tonight, I also want to tell you about Canada's economic and political situation. I want you to know that Canada is well-positioned for sustained economic growth and that we possess the political will to keep our nation together and enter the next century more united and confident than we have ever been. We have some problems. We have some challenges. But we are not sweeping these aside. We are dealing with them. Our economy, like some others, has been in recession. But we have taken strong measures to improve our economic performance.

We believe that the key to economic recovery in Canada is to maintain lower interest rates. To achieve this, we have taken some concrete steps. We have set out clear, achievable inflation targets. We have put government finances on course towards a balanced budget, and we have severely restrained the operations of government.

We have a record of accomplishment in recent years. We abolished a manufacturing sales tax that was handicapping our exporters. We have re-oriented our unemployment insurance system towards retraining. We have updated our competition policy. We have deregulated energy and transportation and initiated reforms of financial institutions. We have opened our economy, transforming a foreign investment review agency into a foreign investment promotion agency. We have privatized or eliminated 24 government-owned companies, reduced the federal payroll by 90,000 employees and streamlined virtually every federal department and agency.

I am confident that our measures are working and that economic recovery is on the way. In addition to lower interest rates, we can look forward to declining inflation -- 3 per cent by the end of next year and 2 per cent in the following years. This will be a lower inflation rate than in the U.S., but not out of line with what we have been able to achieve for extended periods in the past. We also look forward to real growth in employment this year, more consumer spending, more personal disposable income and more housing starts -- in other words, stronger economic growth this year and next. There are already signs of this turnaround in recent economic statistics.

Of course, the most important measure we have taken in recent years to improve our economy has been our Free Trade Agreement (FTA) with the United States.

Freer trade is vital to economic renewal. Freer trade means more competition. Competition lowers prices for consumers and forces business and industry to rationalize. Economies of scale increase. Manufacturing costs decrease.