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our priority this year and in the years to come. Our immediate goal is to reduce the deficit through reductions in expenditures rather than major tax increases. We are already making progress. A review of possible spending reductions and revenue recovery measures has already turned up ways to shave 12 per cent off the deficit projected for the next fiscal year. Our goal is to at least triple those savings by 1990.

Our second major challenge is to redefine the role of government so that it provides a better framework for growth and job creation. Government must not be an obstacle to business. It should afford a climate which stimulates change and innovation. We must move away from having too many of our industries over-regulated, and others over-protected not just from imports but from domestic competition. Programs designed to assist investment should not have the perverse effect of distorting it. Policies and programs should not send the wrong signals abroad — signals that Canada does not welcome foreign investment, particularly in the energy sector. Thus, our third major challenge is to establish a stable policy framework with proper incentives for investment and growth.

At the same time, it is essential to take action to ensure that the private sector can expand to provide durable growth and productive jobs. To do this, we will encourage enterprise in Canada. We will reduce the regulatory burden, not as an end in itself, but to release the creative energies of individuals and companies to experiment, to innovate and to produce better goods and services at lower prices.

In this respect, we will soon propose changes in both the Foreign Investment Review Agency and the National Energy Program, changes that will make Canada measurably more attractive to foreign investors. We intend to make Canada a better place to do business.

We also intend to increase the business we do outside of Canada. Trade is Canada's life-blood. Exports account for almost one-third of our national income. Some two million Canadians work in industries that directly or indirectly depend on exports. Yet our trade performance should be much better. One of the fundamental thrusts of this government will be to refurbish Canada's stature as a first-class world trader.

We also know that the goal of securing and improving access for Canadian products to foreign markets will not, of course, be achieved without responding to the interests which our trading partners have in equitable access to markets in Canada. Since Canada is the only major industrial country without unimpeded access to a market large enough to permit substantial economies of scale, we understand that.

There is an emerging international consensus in favour of a new round of multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT). These negotiations will provide an opportunity to reduce tariff barriers and to tighten discipline on the use of non-tariff measures. As economic summit partners, Canada and France together will need to examine the preparations necessary for a new round of GATT negotiations, and the opportunities such negotiations might present.

These are the global concerns of Canada's new government. Let me now apply them to our relations with our oldest trading partner, France.

The current state of our economic relationship is not fully satisfactory — not compared to the strength of our respective economies and the depth of our historical and cultural ties.