

'Canada is now open for business'

The United Kingdom is Canada's third most important trading partner and its second largest source of foreign investment. It is also the first country that James Kelleher, Canada's Minister for International Trade, visited as a member of the new Mulroney government.

While in London last month, Kelleher addressed the Canada-United Kingdom Chamber of Commerce. The following is an edited version of his speech.

BY JAMES KELLEHER

Things are happening very fast now in Ottawa. Parliament opened with a Throne Speech that set down some of our guidelines – national reconciliation, economic renewal and social justice. And that same week, my colleague, Michael Wilson, the Minister of Finance, delivered an economic and fiscal statement that established our priorities and outlined our directions.

Our basic message is this. There is a new team in Canada. We know where we are going, and we have our act together. We intend to change the approach of the Canadian government, and we intend to change the policies of the Canadian government.

Let me set the scene. On September 4, Canadians went to the polls and gave us what must be regarded – and what we regard – as an overwhelming mandate for change. That mandate reflects a pragmatic judgement about Canada's recent economic performance and problems. The Canadian people also saw an economic world that was changing rapidly, and they wanted our country to keep the pace and seize the opportunities for change.

Four challenges set

The new government is prepared to lead this process of renewal. We have set for ourselves four challenges.

The first is to put our own fiscal house in order. Controlling the budget deficit will be 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.

Our second major challenge is to redefine the role of government so that it provides a better framework in Canada for growth and job creation, and less of an obstacle to change and innovation. Programmes designed to assist investment should not have the perverse effect of distorting it. Policies and programmes should not send the wrong signals abroad. We must 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.

Thus, our third major challenge is to establish a stable policy-framework with proper incentives for investment and growth – not a 'grand design' by which government dictates which industries will grow and which will wither, but clear and reliable rules by which to play the game.

Finally, we must bring about these changes in a way that is fair, open and consistent with the basic sense of compassion, tolerance and justice that is characteristic of Canadian society.

First-class world trader

These are our basic challenges. Let me now go into a bit more detail about two specific areas, trade and investment.

Canadian exports to Britain

