

ATTRACTIVENESS AS AN INVESTMENT OPPORTUNITY. IN THIS REGARD, WE WILL ENSURE THAT OUR OFFSHORE FISCAL REGIME IS COMPETITIVE. AND OUR DEPARTMENT OF ENERGY, MINES AND RESOURCES HAS BEEN CLOSELY MONITORING THE COMPETITIVENESS OF OUR OFFSHORE FISCAL REGIME IN COMPARISON TO OTHER COUNTRIES SUCH AS THE UNITED KINGDOM, NORWAY, AUSTRALIA, INDONESIA AND THE UNITED STATES.

SINCE EACH COUNTRY TENDS TO DESIGN ITS FISCAL REGIME TO FIT THE CHARACTERISTICS OF ITS RESOURCE BASE, INTERNATIONAL COMPARISONS MUST BE INTERPRETED CAUTIOUSLY. HOWEVER, OUR STUDIES INDICATE THAT WHEN THE DIFFERENT FISCAL SYSTEMS ARE APPLIED TO TYPICAL CANADIAN OFFSHORE PROSPECTS, CANADA'S FISCAL REGIME IS COMPETITIVE ON AN INTERNATIONAL BASIS. IT WILL REMAIN SO, BOTH IN ATLANTIC CANADA AND THE NORTH.

TODAY, I'VE FOCUSED ON THE LINK BETWEEN FISCAL POLICY, MONETARY POLICY AND CAPITAL INVESTMENT, PARTICULARLY ENERGY INVESTMENT. I BELIEVE THE ECONOMIC CASE FOR DEFICIT REDUCTION IS OVERWHELMING, BOTH IN CANADA AND THE UNITED STATES. AND I WOULD SUGGEST THAT THE POLITICAL CASE IS EQUALLY STRONG.

BECAUSE IF CANADIAN AND AMERICAN VOTERS DON'T LIKE AN OUNCE OF PREVENTION IN 1989, THEY SURE WON'T LIKE A POUND OF CURE IN 1992.

SO THAT IS THE CURRENT SITUATION IN CANADA; AND THE STATUS OF OUR OFFSHORE OIL DEVELOPMENTS. WHEN YOU HEAR THE SQUEALS UP NORTH, UNDERSTAND IT IS THE SOUND OF THE RUBBER HITTING THE ROAD. AND WE ARE DETERMINED TO STEER A COURSE TOWARDS LOWER INFLATION AND LOWER INTEREST RATES, SO THAT POTENTIAL INVESTORS, WHETHER IN ENERGY PROJECTS OR ELSEWHERE, WHETHER CANADIAN OR FOREIGN, CAN PLAN WITH CONFIDENCE, KNOWING THAT THE GOVERNMENT OF CANADA IS CONSCIOUS OF ITS RESPONSIBILITIES TO FUTURE GENERATIONS AND WILL ACT, WHENEVER NECESSARY, TO SECURE THE LONG-TERM INTERESTS OF THE COUNTRY.

IN 1989, CANADA IS A GOOD PLACE TO INVEST. I CAN ASSURE YOU, WE INTEND TO KEEP IT THAT WAY.