

sites and properties in the country, will assume a leadership role in their restoration and preservation.

II. *Economic Renewal*

Canada's program of economic renewal has as its goal the building of a national economy equipped to compete in an environment of intense global competition, changing markets, and new technologies. Economic renewal will be furthered by continued progress in restoring health to our public finances, by trade initiatives and by tax reform.

My government has committed itself to four principles in its quest to restore fiscal health to Canada. First, to reduce the growth in the national debt to less than the growth in the economy by the end of this decade. Second, to achieve continuing, sizeable, year-over-year reductions in the deficit. Third, to ensure substantial annual declines in the government's financial requirements. And fourth, to ensure that the greater part of this progress is secured through effective expenditure restraint.

Success in this quest will foster a climate of investor and consumer confidence that will continue to support lower inflation, lower interest rates, higher growth and more job opportunities for Canadians.

If Canada is to achieve an enduring economic recovery, government must also ensure that our country's interests are secured and enhanced in the international sphere.

Nearly one third of our economy depends on international markets. Our future is trade. That is why my government is seeking to open and secure new markets for Canada everywhere in the world. These efforts include bilateral talks with the United States and multilateral negotiations under the auspices of the GATT.

My government intends to improve Canada's status as a trading nation among our major partners. Particular emphasis will be placed upon trade with Japan and other Pacific Rim countries.

Trade promotion, however vigorous, cannot succeed if world markets important to Canadian exporters are threatened by increased protectionism.

Such pressures emphasize the importance of my government's pursuit of a mutually advantageous trade agreement with the United States. These talks are being accompanied by extensive consultations with the provinces, business and labour. Successful negotiations will strengthen both our economy and our capacity to reinforce our culture, our sovereignty, our commitment to regional development and the fundamental purposes of Canadian social policy.

Progress has already been made towards my government's objective of comprehensive tax reform. We have begun to restructure the corporate tax system. Equity in the personal income field has been enhanced through the introduction of the minimum tax. A refundable Sales Tax Credit has been introduced. Opportunities for tax avoidance have been curtailed.

In my government's further consideration of tax reform, fairness will be a guiding principle. The objectives of reform will be to lower tax rates and to reduce reliance upon personal income tax by improving the revenue balance between personal income and other taxes. A simpler and more comprehensible tax system would also be welcomed by all Canadians.

During this session, you will be asked to consider new initiatives to strengthen the competitiveness of the private sector.

To help remove obstacles to economic growth, my Ministers will continue to reduce the burden of paperwork and regulation, to advance the process of privatization of Crown Corporations, and to press for the removal of barriers to interprovincial trade.

My Ministers will introduce programs to promote small business and entrepreneurial values. Included will be measures to improve procurement procedures, to strengthen the unsolicited proposals program for small companies and entrepreneurs, to increase technology transfer from government laboratories, and to develop new initiatives to promote entrepreneurship among youth.

My government will again be placing before Parliament measures to give Canadians a more efficient, competitive and safe transport system by relieving the burden of unnecessary regulations on the transportation sector.

My government will propose a new regulatory framework for the financial services industry that will promote competition, efficiency, and international competitiveness, while strengthening consumer protection.

For many years, successive governments have sought to provide measures intended to promote regional development. Their efforts have not been as effective as hoped. Regional disparity remains an unacceptable reality of Canadian life. Our experience has shown that spending more money, by itself, has not solved the problem.

It is time to consider new approaches, to examine how our considerable and growing support for Canada's regions can be used more efficiently, more effectively and with greater sensitivity to local conditions and opportunities. In renewing their efforts to come to grips with this longstanding problem, my Ministers are convinced many positive proposals for new policy initiatives will come from those who live and work in the regions concerned.

Building on the human and natural resource strengths of the regions, a renewed cooperative effort will lead to a new development agenda. Special emphasis will be given to diversifying the economic base of Western Canada.

As a first step in achieving improved results from this sustained national approach, an Atlantic Canada Opportunities Agency will be constituted to facilitate and coordinate all federal development initiatives in the area. This agency will make fuller use of the expertise available in the Atlantic region and invite the maximum participation of other governments and organizations in the area.