country that is competitive abroad and in control of its destiny at home.

This is the future we have been building since 1984.

The way to achieve it is to follow a clear plan of responsible fiscal and economic policies to reduce inflation and create a better climate for lower interest rates; policies that increase our ability as a nation to earn our way in the world and to pay our way at home.

This government will continue to do, not what is easy or popular for itself, but what is right for the country.

BUILDING THE FOUNDATION FOR A BETTER FUTURE

To ensure a strong economic foundation for the future, we are moving forward with the broad plan that we set out in November 1984.

The plan has two main thrusts: to put the government's financial house in order; and to foster a dynamic, innovative and competitive private sector.

Our actions have challenged Canadians and encouraged them to change their ways of doing things.

But let's be clear about the real source of pressure for change. It is not the government. It is the rapidly evolving and increasingly competitive world in which we must earn our way.

The pace of international economic change has been accelerating during the past decade as more and more of our trading partners have implemented major economic reforms. The adjustments that we and others have been making have been spread over many years. By contrast, the adjustments faced now by those in Eastern Europe are daunting in their speed and scope.

The powerful combination of political and economic freedom will increasingly unleash the creative energy of individual initiative, and bring more and more countries into the competitive mainstream of the world economy. We, as individuals and as a country, must be ready to deal with this and take advantage of the opportunities it presents.

[*Translation*]

EXPANDING OUR ECONOMIC POTENTIAL

In this changing world, Canada needs a dynamic, flexible economy that responds quickly and effectively to new challenges and opportunities; a more open and market-oriented economy that brings out the best of our competitive abilities.

Toward this goal, our economic plan has proceeded with many initiatives designed to strengthen the basic structure of the economy and provide a better framework to allow our economy and Canadians to adjust to change. These structural reforms will increase our competitiveness and expand our potential for growth and job creation. They encourage private initiative, remove obstacles to economic growth, secure access to markets, increase investment and improve efficiency. They contribute to a more productive and prosperous Canada.

The Canada-U.S. Free Trade Agreement is opening up new opportunities in the large American market. This initiative alone will lead to an ongoing 3.5 per cent increase in our economic output. These gains will be shared by all regions.

[*English*]

Scrapping the National Energy Program and deregulating the energy and transportation sectors have reduced government interference in these key parts of our economy.

The reform of the income tax system lowered tax rates and eliminated tax breaks and loopholes. It has increased economic output by increasing the incentive to work, save and invest.

The new Labour Market Development Strategy will upgrade the skills and increase the flexibility of the work force. Better training means better jobs for Canadian workers. It helps them adapt to new technology and change.

PRIVATIZATION AND CROWN CORPORATIONS

Our program of privatization and improved management of Crown corporations is contributing both to greater economic efficiency and deficit reduction. Since 1984, the government's holdings in 18 corporations have been sold or reduced. Eight others have been dissolved. The number of Crown corporation employees has been