

measures have helped restore a more positive climate to federal-provincial relations in Canada. Differences there will always be. Recognition of diversity is at the source of a federal system, like yours or ours.

The task of national political leadership in such a federation will always be to reconcile differences, to harmonize policies, to equalize opportunities, to build on regional strengths, to respect historic and cultural differences, and always to set before the nation a vision of what we can accomplish, together.

Two days ago, there was a provincial election in Quebec. The issue was not separatism — the option had been set aside prior to the election. In the absence of such a policy, both major parties campaigned essentially on economic issues. Both major parties were competently led; both waged aggressive but elevated campaigns.

Both parties set out similar objectives. The question was which party could best bring about jobs and economic growth, within the federal framework. On Monday, Quebecers spoke. They elected a government committed to a strong economy, and co-operation with the federal government in Ottawa.

The verdict therefore can only enhance political stability in Canada and contribute to economic renewal. The improved climate in federal-provincial relations; the new energy policy; the more open investment policy; these are essential conditions for renewed economic growth and job creation in Canada.

There is no doubt that real economic renewal has begun. All the indicators — gross national product (GNP) forecasts, interest rates, inflation, housing starts, employment, capital investment — are improving. In some cases they are better than yours. Most important, confidence is being rebuilt. To restore confidence, we also have to get the public finances in order and we are committed to a plan of deficit reductions over the next five years.

We have purposely sought to open our doors to trade and investment. We want to ensure that the opportunities for business to invest and grow are helped, not constrained, by government policy. This was the message I brought to investors in New York one year ago. It is a message that I repeat to you today: Canada is open and ready for business. Our country has always been a good place for investment. We are making it an even better place to do business.

Canada's economic future depends, of course, on trade. One Canadian job in three depends on our ability to compete in export markets. Obviously we have a vital interest in keeping the world trading system open. Indeed, we have worked with the United States to start a new round of multilateral trade talks. Canada, like the United States, wants the new round to include trade in agriculture, in services, and in intellectual property. We will vigorously pursue that policy at the economic summit in Tokyo next May; and at the General Agreement on Tariffs and Trade (GATT) in Geneva. Almost three-fourths of Canada's exports, accounting for 20 per cent of our GNP, go to the United States.

The imperative for Canada, then, is not just more open multilateral arrangements, but stability in our bilateral trade relationship with the US. We want more secure access to this market while recognizing that the removal of barriers opens trade in both directions.