

The alliance of our two nations in the dedication to freedom and democracy is also very important to us. As members of NATO, you use bases in Canada for military training, and of course we have bases here. I am also very pleased at the decision by the German Ministry of Defence to purchase seven of our Canadair Challengers for their Special Air Mission Unit.

As broad and rewarding as our relationship is, I believe we are all aware that we have not always made the best use of it. The fault, I suggest, is more ours than yours, and I bring you the assurance that Canada's new Progressive Conservative Government intends to correct the situation.

Canadians are a strong and dynamic people. As a nation we are blessed with a great endowment of natural resources. We benefit from excellent economic infrastructure built over a long period of time. Our imagination and enterprise are boundless. We have great potential for growth. Yet over the past decade our performance has fallen short of that potential.

There is no single reason for this. Volatile international markets have created difficulties for us, particularly in terms of our resource-based exports. But the same markets have also created opportunities, opportunities we have been too slow to seize. Changing technology has led to the decline of some of our traditional industries, but it has also created new challenges which we have been slow to meet. Rapid growth in our labour force has kept unemployment unacceptably high, but it has also provided the opportunity for strong, non-inflationary growth. We have failed to exploit that opportunity.

In large part, our disappointments were brought on by an unwillingness to face realities. For too long the government ignored the causes of problems and dealt only with the symptoms. For too long it allowed its fiscal situation to deteriorate and its debt to increase. Through excessive regulation and intervention, it substituted the judgments of politicians and regulators for the judgments of the marketplace.

The new government intends to change all that. Canada is under new management. We have an overwhelming mandate for change, and what we are undertaking is a process of national renewal. We see three major areas that require our immediate attention.

The first thing we must do is to put our own fiscal