

This is a year of change in Canada. At the federal level, a major line change is under way, as the leaders who entered politics in the 1970s turn over the levers of power to a generation who became active in the 1980s.

Counting all parties, one third of the members of the current Parliament are retiring from politics – and that includes about half of the present cabinet. This unusually high proportion is indicative of a generational change, which is under way in the political leadership of Canada.

Prime Minister Mulroney, too, is retiring from federal politics. Since Sunday, when the Progressive Conservative Party voted at its ninth leadership convention, we have had a new party leader – Ms. Kim Campbell. She is both the first woman and the first person from Canada's West Coast to lead our party. And Ms. Campbell will become Canada's 19th Prime Minister – and first woman Prime Minister – when she and her new Cabinet are sworn in next week.

The mandate of our present Parliament expires in December of this year. Before that time, Ms. Campbell will face the people as Prime Minister in a federal general election. What does this portend for our economic policy in the future? The answer, I believe, is renewal of purpose and vision on a scale unprecedented in Canadian politics for several generations.

I'm confident that the Progressive Conservative Party of Canada will prevail in the general election. Moreover, during her candidacy for party leadership, Ms. Kim Campbell has been firm in her determination to hold steady on the course that has brought us this far. Although I can't speak for her, I believe that Canadian economic policy will continue to be a pragmatic blend of continuity and change.

More important: This kind of approach appears to have the support of a much larger share of the population than in the past. In this respect, too, we are part of a wider global change in attitudes. Over the past decade, the collapse of centrally commanded economies contrasted with the performance of the free-market model has produced a return to realism. There are signs that matters like deficits, productivity and competitiveness are no longer seen to be abstract academic issues, but down-home, pocketbook concerns. In fact, Canadians are deeply concerned about the debt and deficit problems facing all levels of government. Moreover, they have expressed a widespread consensus that the key to solving these problems is also the key to solving our high unemployment problem – a growing, competitive economy – an economy that includes more of those who have been marginalized by the recession and restructuring, making them taxpayers instead of tax spenders.