

The process of national renewal will require constant consultation with all sectors of Canadian society -- including business, labour, consumer and provincial governments. To be successful, it will require consensus within Canada and cooperation with our major economic partners abroad.

The new government is prepared to lead this process of renewal. We have set for ourselves four challenges:

The first is to put our own fiscal house in order. Controlling the budget deficit will be our priority this year and in the years to come. Our immediate goal is to reduce the deficit through reductions in expenditures rather than major tax increases. We are already making progress. A review of possible spending reductions and revenue recovery measures has already turned up ways to shave 12% off the deficit projected for the next fiscal year. Our goal is to at least triple those savings by 1990.

Our second major challenge is to re-define the role of government so that it provides a better framework in Canada for growth and job creation. It must not be an obstacle to business. It should afford a climate which stimulates change and innovation. We must move away from having too many industries in Canada over-regulated, and others over-protected, not just from imports but from domestic competition. Programs designed to assist investment should not have the perverse effect of distorting it. Policies and programs should not send the wrong signals abroad -- signals that Canada turned inward, does not welcome foreign investment, particularly in the energy sector. These are obstacles to growth.

As the government scales back its own activities, it is essential to take complementary action to ensure that the private sector can expand to provide durable growth and productive jobs. To do this, we will encourage enterprise in Canada. We will reduce the regulatory burden, not as an end in itself, but to release the creative energies of individuals and companies to experiment, to innovate and to produce better goods and services at lower prices.

Thus, our third major challenge is to establish a stable policy framework with proper incentives for investment and growth. Not a "grand design" by which government dictates which industries will grow and which will wither, but clear, reliable and positive rules by which to play the game.

Finally, we must bring about these changes in a way that is fair, open and consistent with the basic sense of