

In fact, since the end of the recession, corporate profits, as a percentage of GDP, have been higher in Canada than in the United States, both before and after taxes.

Canada's *realpolitik* and strong economic performance have been noted around the world.

In its most recent *World Competitiveness Report*, the Geneva-based *World Economic Forum* ranked Canada fourth behind the United States, Switzerland and Japan.

This represents a significant improvement over our sixth place ranking in 1987 and our eleventh place ranking in 1986.

Among Canada's best ratings were the quality of our human and natural resources, the dynamism of our market and economy, and industrial efficiency.

Good as our record has been in stimulating growth, boosting investment and improving business confidence, we are far from complacent. We realize that our fate is closely tied to that of our major trading partners.

The Federal Republic of Germany is one of our most important trading partners. Our two countries do over \$5.5 billion worth of trade each year. Your country is Canada's third largest source of foreign direct investment. German companies such as BASF, Bayer, Hoechst, Siemens, Volkswagen and Budd are well-established and well-known in Canada.

Though the record of German investment in Canada is impressive, we would like to see more. In fact, the Government of Canada encourages all forms of investment, including joint ventures and strategic alliances between Canadian and German firms.

We see investment and industrial cooperation as a key to keeping pace with the economic and technological changes that are shaping the markets and the global economy of the 1990s.

Our two countries must continue working together with our trading partners for peace and prosperity into the twenty-first century.

Major challenges lie ahead which will test our will and ability to ensure an increasingly free and orderly flow of people, goods and capital in the global economy.

The current round of multilateral trade negotiations under the GATT is a case in point.