

Pragmatism led us to reform patent law so that people and enterprises who carry out research and innovate can reap the rewards of their investment.

And, it is pragmatism which led us to conclude a comprehensive Free Trade Agreement with the United States, a market which accounts for about 75 per cent of Canada's exports.

I know that some Europeans are concerned that this Agreement may create a Fortress North America.

Nothing could be further from the truth.

The Agreement brings down barriers to trade and investment between Canada and the United States without erecting barriers to other countries such as the Federal Republic of Germany.

In fact, by bringing down those barriers, we have created even greater opportunities for investors in Canada because they will now have freer and more secure access to the North American market.

Furthermore, the Canada-U.S. Free Trade Agreement is consistent with the spirit and the letter of the General Agreement on Tariffs and Trade.

Here in Germany, you have a perfect word to describe the nature of Canada's economic policies--*realpolitik*.

Canada's *realpolitik* is working.

Our economy is well into its seventh consecutive year of expansion.

Since the end of the recession of the early 1980s, Canada's economy has grown faster than any other economy of the Economic Summit except Japan. In 1988, Canada's Gross Domestic Product grew by 4.3 per cent, second only to Japan.

Canada has attracted record levels of foreign direct investment in recent years: in 1986 it reached \$8.4 billion, in 1987, over \$10 billion and in 1988, again over \$8 billion.

Canada's job creation record has consistently been the best among the Economic Summit countries in recent years. In 1988, employment in Canada grew by 3.5 per cent, better than any other Economic Summit country and significantly higher than the 2.1 per cent average for the Summit countries as a whole.

As a percentage of Gross Domestic Product, corporate profits have consistently grown in Canada since 1983, rising from 5.2 per cent to 7.3 per cent in 1988.