

FINALLY, ONE MUST NOT UNDERESTIMATE THE IMPORTANCE OF PEOPLE IN THIS IMPORTANT TRADE RELATIONSHIP. SOME 500,000 CANADIANS CAME TO THE UK LAST YEAR WHILST 450,000 BRITISH CITIZENS VISITED CANADA.

BY ANY YARDSTICK, WHAT I HAVE JUST DESCRIBED MEANS THAT BRITAIN REMAINS ONE OF CANADA'S MOST IMPORTANT PARTNERS IN THE INTERNATIONAL COMMUNITY. INDEED, THERE IS A GREAT POTENTIAL FOR GROWTH TO BE BUILT UPON WHAT REMAINS VITAL IN THE OLD RELATIONSHIP WHILST OF COURSE PROMOTING THE MUTUAL INTEREST AND ADVANTAGES BETWEEN TWO OF THE WORLD'S SEVEN LARGEST INDUSTRIALIZED DEMOCRACIES.

TURNING NOW TO CANADA'S PLACE IN THE GLOBAL ECONOMY, I WOULD LIKE TO REVISIT WITH YOU HOW, OVER THE PAST FOUR AND A HALF YEARS, THE GOVERNMENT LED BY PRIME MINISTER MULRONEY, HAS FOCUSED ON REVITALIZING CANADA'S ECONOMY. MUCH HAS BEEN ACHIEVED:

- GROSS DOMESTIC PRODUCT HAS GROWN BY AN AVERAGE OF 4 PERCENT, A RATE SECOND ONLY TO JAPAN, AMONG MAJOR OECD COUNTRIES;
- REAL BUSINESS INVESTMENT INCREASED BY AN AVERAGE 7.8 PERCENT FROM 1984 TO 1988;
- CANADA'S NOMINAL EXPORTS HAVE INCREASED BY 23 PERCENT OVER THOSE YEARS, INCLUDING A 47 PERCENT INCREASE TO THE EUROPEAN COMMUNITY, A 42 PERCENT INCREASE TO JAPAN AND A 20 PERCENT INCREASE TO THE U.S.;
- THE FEDERAL DEFICIT HAS BEEN BROUGHT UNDER CONTROL AND THE GOVERNMENT IS AWARE OF THE NEED TO DO EVEN MORE;
- TAX REFORM HAS SIMPLIFIED THE SYSTEM AND REDUCED CORPORATE TAX RATES TO LEVELS COMPARABLE TO THE U.S.;