

maintaining low inflation and reducing fiscal deficits and debt. Also at the heart of Canadian policy are efforts to create a more productive economy by investing in people and in innovation, and by ensuring that Canada realizes its potential in international markets. Finally, Canada is redesigning its social programs to "make them more effective and more affordable," while continuing to provide strong support for the most vulnerable members of society.

Relative Canadian Performance

Canada leads the G-7 in the creation of jobs over the long term. Since 1970, total employment in Canada has risen 65 per cent. By comparison, employment in the U.S. has risen 59 per cent, while Japan follows far behind with a 27 per cent increase. The three European G-7 countries achieved an average employment increase of only 11 per cent for the same time period.

In 1994 and 1995, Canada ranked second in the G-7 in employment growth, behind the U.S. The Canadian unemployment rate has dropped about 2 percentage points over the past three years, roughly equal to that of the U.S. and the U.K. and better than that of the other G-7 countries; in France the unemployment rate has remained roughly the same, while it has gone up in Japan, Germany and Italy.

Real economic growth has been strong in Canada, being the highest in the G-7 in 1994 and solidly in the middle of the pack in 1995.

In the area of inflation, Canada is well situated in the G-7, behind Japan and France but clearly better than the U.S., the U.K. and Italy.

By 1997-98, fiscal restraint will have reduced the Canadian government borrowing requirement as a percent of GDP to the lowest in the G-7.

As for Canadian exports, they are booming. In Canada the ratio of exports to GDP is almost twice as high as the average for the G-7 countries. Business investment remains strong.