

Canada is a major trading nation. Our success in world trade means that we have a huge stake in the NAFTA and in the world trading system. A set of fair trading rules by which both we and our trading partners abide is important for Canada. It is important because, among other things, it ensures that investment decisions are based not on protectionist devices but on competitive advantage.

The Government of Canada is constantly working to enhance our competitiveness. First and foremost, we are committed to creating the conditions that produce strong and sustained growth.

Our approach is to have an economic policy framework that ensures that investors find in Canada an environment where business can grow and prosper.

We believe that sound investments should not be based on one-time-only incentives but on the country's broad and long-term economic growth prospects.

Our recent economic growth, led by a strong export performance and by equally strong business investment in machinery and equipment, has broadened significantly to include consumer spending.

Growth this year is expected to reach or exceed four per cent. We are confident of sustaining similar growth levels for some time to come. Recent strong investment reflects buoyant business confidence.

Indeed, in the second quarter of 1994, business confidence rose to its highest level since 1979.

Employment is rising, providing the basis for stronger consumer demand. At the same time, costs are staying down. Unit labour costs in particular have been falling due to the combination of low wage increases and greater productivity.

Among the G-7 [Group of Seven (leading industrialized)] countries, we have the lowest inflation rate. It has been at zero per cent in recent months. In the quarter ending last June, prices actually fell and the economy grew by an annual rate of 6.4 per cent.

The economic confidence that we are now seeing is aided by the determination of both the federal and the provincial governments to get their fiscal house in order.

Speaking on behalf of the Canadian government, I can assure you that we are determined to stay on course in our efforts to reduce the deficit.