

Ladies and Gentlemen,

Today I would like to share with you some perspectives on Canada's place in the global economy.

For the past four and a half years, the government led by Prime Minister Mulroney, has focussed 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.
- And, Canada's nominal exports have increased by 23 percent over the four 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 was brought under control and significantly reduced, from \$38.3 billion in 1984-85 to \$28.1 billion in 1987-88. That is a reduction from 7.8 percent to 3.9 percent of GDP.
- Tax reform has simplified the system and reduced corporate tax rates to levels comparable to the U.S.
- Competition policy has been modernized, to more effectively check anti-competitive behaviour but also to recognize the increasingly global context in which we must operate.
- Major reforms have been made to permit the integration of financial services and in foreign ownership rules for financial investors. For example, foreign institutions can now acquire domestic security firms. And, further reforms are planned to make financial services in Canada more internationally competitive.
- Regulatory reforms in energy and transportation, to greatly increase reliance on market forces, have led to industry restructuring and increased efficiency.