

That positive attitude has also inspired our approach to federal-provincial relations. The government has spared no effort to consult and to collaborate with the provinces and territories. Together, we have succeeded in creating a new, constructive era in federal-provincial relations. This, in turn, has had a positive effect on the economic and investment climate.

Investors from around the world are discovering a new Canada. Those are words used by Minoru Kanao, who headed a high-level Japanese business mission to Canada in late 1986. Among other things, the Kanao mission found a new spirit of national reconciliation, an improved labour climate and a favourable attitude toward foreign investment in Canada.

The result? Record levels of direct and portfolio investment in Canada by foreigners.

This is significant because investment is a vote of confidence in Canada, in its strong economic performance today and its dynamic future.

How strong has our economic performance been?

- we have been number one in economic growth since 1984.
- we have been number one in employment growth--more than 1,150,000 jobs created since we came to office. And, most of those jobs have been full-time, well-paid jobs in every sector of the economy.
- Ontario has been at the heart of our booming economy.
- economic growth last year was more evenly balanced--unemployment dropped in every single province.
- mortgage rates have dropped three percentage points, saving homeowners \$1,200 a year on a \$50,000 mortgage and helping businesses to expand throughout the country. Housing starts in 1987 were up 40 per cent compared to 1986, up 64 per cent compared to 1985 and up 92 per cent compared to 1984.
- all this growth without spiraling inflation. In fact, inflation has been decreasing. Lower inflation means lower prices for all consumers, particularly lower-income Canadians and seniors.