

Thank you Mr. Chairman. I am grateful for this opportunity to address the Netherlands-Canada Chamber of Commerce.

Canada and the Netherlands share a history of friendship, co-operation and commerce of which we can be proud. When this Chamber of Commerce was established in 1950, the total trade between our two countries was worth \$14 million. Now it is worth \$2.1 billion and growing.

Today we are major investors in each other's economies. Our businesses are well suited to partnership. The potential for us to do business together is greater than at any time in our history.

Today, our countries face similar challenges. We have both recognized that if we are to preserve the prosperity we have both earned we must adjust to the larger markets on our doorsteps. We must meet the challenge of improving our competitiveness and productivity. We must make the transition to a new era of knowledge-based high-technology industry.

In Canada, we face an additional challenge. We must constitutionally renew our country. Canada's prosperity depends on our ability to overcome internal divisions, something, historically, we are very good at doing. We know that business confidence and foreign investment will be built on our continued demonstration that Canada is a strong, united country with a dynamic and growing economy.

Today, I want to tell you about Canada's economic and political situation. I want you to know that Canada is well positioned for sustained economic growth and that we possess the political will to keep our nation together and enter the next century more united and confident than we have ever been.

We have some problems. We have some challenges. But we are not sweeping these aside. We are dealing with them. Our economy, like some others, has been in recession. But we have taken strong measures to improve our economic performance.

We believe that the key to economic recovery in Canada is to maintain lower interest rates. To achieve this we have taken some concrete steps. We have set out clear, achievable inflation targets. We have put government finances on course towards a balanced budget and we have severely restrained the operations of government.

I am confident that our measures are working and that economic recovery is on the way. In addition to lower interest rates, we can look forward to declining inflation -- 3 per cent by the end of next year and 2 per cent in the following years. This will be a lower inflation rate than in the U.S., but not out of line with what we have been able to achieve for extended periods in the past.