

growth, thanks to the investment triggered by the FTA, sales tax reform and energy projects made more viable by the terms of the Free Trade Agreement.

Finally, and perhaps most importantly, a modern sales tax will allow us to finance national social programs without raising income taxes to uncompetitive levels - social programs that raise the quality of Canadian life.

For all these reasons, the GST makes sense for Canada. It is a long overdue reform which is the right thing to do. So we are going to do it. For if not us, who? And if not now, when?

The third challenge lies directly in my area of responsibility - to make progress on the multilateral trade front.

You know that, in this increasingly interdependent world, trade and investment have never been more important. So the stakes at the GATT table have never been higher.

Yet, the nature of the issues under discussion in Geneva, such as agricultural trade, are extremely sensitive to many domestic governments around the world. So trade has never been more at risk.

Add it all up, and the challenge before us is immense. And no one at this time can predict the eventual outcome of the current negotiations. All we can do is soldier on, poised to take advantage of negotiating opportunities in the coming months as we approach the finish line.

For my part, I remain optimistic that the final result will prove beneficial, if only because it is in the interest of all concerned to avoid failure. I can tell you that Canada is certainly playing a stronger hand, due to the existence of the FTA. But should the results not be as bold or progressive as one would hope, let us also remember that the existence of the FTA will dramatically limit the negative impact of failure on our country. That is certainly not a reason for complacency. But it should cause the opponents of the FTA to think twice.

In the meantime, it is incumbent upon Canadians to improve our ability to compete in the world economy, regardless of the GATT outcome. As you know, that was the essential purpose of the FTA. That is the purpose of the GST. That is the rationale for the Going Global strategy which we announced in 1989 - to improve our ability to compete not only in the American market, but in Europe and the Pacific Rim as well. And that is why my department is working hard to promote Canadian products abroad. Witness, for example, the recent opening of our new satellite offices in San Diego, San Juan and Miami, raising the number of our U.S. trade offices to 27.

While you wouldn't know it from the media, Canadian firms have been quietly responding to this export challenge outside the glare of the television lights and political debate. This year alone, 10,000 companies will take part in over 400 trade shows across the U.S., utilizing the services of my department. And those trade shows are paying off already - one sale at a time. Witness for example, the success achieved by members of our recent mission to Florida and Puerto Rico, companies like Gregg Steel Shakes and Magnum Fasteners. These are certainly not household names in our country, but they are the kind of growing and ambitious Canadian company which is ready, willing and able to compete in foreign markets, if given a chance. And they are the kind of success stories which must be told by supporters of free trade if you are to offset the constant criticism of our opponents.