

become as a nation. It is a wealth that has allowed us to develop one of the world's highest standards of living.

Indeed, according to the United Nations, Canada is number one in the world in terms of economic, social and environmental conditions.

In Canada, our dependence on trade -- which now generates one job in three and more than one quarter of our GDP -- has prompted us continually to get to access to markets and fair rules of trade. It was that imperative that made us a leader in the creation of the General Agreement on Tariffs and Trade (GATT) and the series of multilateral trade negotiations that has taken place since 1947.

Over those 45 years, the GATT has succeeded in cutting world tariffs from an average of around 40 per cent to about five per cent today. And in turn, that has helped spur a 12-fold increase in the volume of world trade in goods. Merchandise trade worldwide now amounts to about \$3.5 trillion, and services trade is worth more than \$850 billion a year.

The power of trade -- exports and imports -- has affected virtually every aspect of our lives, here in Canada and around the world. As Arthur Dunkel, Director General of the GATT, recently wrote:

Economic reform, development, enterprise, job creation, investment, control of inflation, consumer choice, a better environment, innovation -- these are today's watchwords. And they have one thing in common: to a greater or lesser extent, all are dependent on international trade. It is as true in the most economically powerful countries as it is in the least developed countries.

So trade, which must always be viewed as a two-way street, is central to our standard of living and the quality of life.

How can governments facilitate the flow of trade? One of the most obvious ways is by negotiating trade agreements. By improving access to markets and developing rules to govern that trade, we open doors for competitive products, services and investments.

The federal government's approach to trade agreements has always been two-pronged. We've sought maximum possible access to world markets through the GATT. And we've done the same thing on a regional basis through the Canada-U.S. Free Trade Agreement (FTA), and now through the North American Free Trade Agreement (NAFTA).