

builds on the Canada-U.S. FTA implemented over three years ago and is closely co-ordinated with Canada's efforts in the Uruguay Round of the Multilateral Trade Negotiations (MTN).

We have assured Japan and other trading partners that NAFTA will be consistent with the General Agreement on Tariffs and Trade (GATT) and will result in expanding trade opportunities. We think NAFTA will be of significant benefit to Japanese companies, particularly those that invest in the North American market.

Finally, I would like to say a few words about the Honda case, which has been in the news so much recently.

We have strongly objected to the way U.S. Customs interpreted the FTA, when it concluded that the Honda Civics made in Canada did not have 50 per cent territorial content.

The Canadian government acted quickly and decisively in protecting our interests and in registering our concern. Last week, the Prime Minister delivered a forceful message to President Bush regarding recent U.S. trade actions including the Honda case.

We have already activated the FTA dispute settlement process by requesting Chapter 18 consultations with the U.S. If the matter is not resolved through consultation, we intend to request a binational panel. We continue to consult closely with Honda and will use all means at our disposal to protect the rights of all Canadian exporters, be they Canadian-owned or foreign-owned, to gain access to the U.S. market in accordance with the FTA rules. We will continue to press the case with utmost vigour.

For Canada, the key to success in the interdependent and competitive world of the 1990s will be to maintain and strengthen mutually beneficial trade relationships like the one Canada enjoys with Japan.

The lasting and prosperous partnerships between Canadian and Japanese firms located in Mississauga are proof of this. We have much to be proud of in terms of the economic accomplishments emerging from the Canada-Japan relationship but we cannot rest on our laurels.

If we, government and business working together in partnership, accept the challenge of building a renewed trade relationship with Japan, I believe we will be setting an excellent example for building a transpacific trading culture and a more prosperous world for all of our peoples.

Thank you.