

A NAFTA will also reinforce Canada's attractiveness as a site for foreign and domestic investment. Companies that look to Canada for an educated and skilled workforce; abundant resources; an excellent transportation infrastructure; world-class banking and telecommunications networks and all the other advantages of locating in Canada. You will also have access to a North American market of 360 million people upon implementation of the NAFTA. The scope for joint ventures, direct investments, strategic corporate alliances and increased trade between Canada and Japan will only become more appealing, and more rewarding. Since we signed the FTA with the United States, Japanese direct investments in Canada have more than doubled from \$2.9 billion to \$6.4 billion. The NAFTA negotiations signal that Canada will soon have even more to offer.

Mexico's trade secretary, Dr. Jaime Serra, the United States Trade Representative, Ambassador Carla Hills, and I have met three times since we launched these trilateral negotiations in Toronto this past June. At the outset, we agreed to seek an outward-looking, comprehensive agreement that would provide the maximum possible free exchange of goods, services and investment in the North American marketplace. We agreed it should promote the further integration of the three countries into the global economy. We agreed we would create a framework which would encourage industries in North America to become globally competitive. And after 150 days of negotiations, we haven't changed our minds. The only block the North American Free Trade Agreement will create is a building block, a building block for increased trade and investment with our most valued customers and suppliers worldwide.

At the same time that we are working to bring down barriers in international trade, we are also aware of the need to remove barriers within our own domestic market.

As part of the constitutional proposals tabled six weeks ago by Prime Minister Mulroney, we have included fundamental reforms to the Canadian economic union. In an era of growing international business linkages, Canada simply has too many barriers to trade within the country. Our ability to compete in global markets for trade and investment is hindered by antiquated restrictions to the free functioning of our internal market. We have proposed that by 1995 the Constitution be modernized to enhance the mobility of persons, capital, services and goods throughout Canada.

All of this leads me back to the Canada-Japan partnership ... because these measures, taken domestically and internationally, are designed to position Canada to thrive in the global marketplace, and will enhance Canada as an attractive trading partner, as a valuable science and technology partner, as both an important source and destination of investment or technology, and