

policies, which were seen as contributing little to our competitiveness.

While I have mentioned the benefits of our close collaboration in attracting foreign investment into Canada, participants in our consultations suggested that the process could be improved by governments better co-ordinating their efforts. Instead of being direct actors, most have suggested that governments act more as facilitators of information about investment opportunities, particularly in high-growth potential sectors. Municipal governments have a key role in encouraging international investment, highlighting the need for close co-operation among levels of government.

The Prosperity Initiative also focuses on improving the competitiveness of Canada's internal marketplace. International experience shows that companies that are successful in meeting the demands of global trade, do so on the basis of a strong presence in their domestic market. Barriers to the free movement of people, goods, services and capital make such a presence very difficult to achieve. According to a Canadian Manufacturers' Association (CMA) study, such barriers are costing Canadians nearly \$6 billion a year. There was a virtually unanimous agreement, during the talks, that they must be removed. Also, innovative measures to reduce the burden of government on business were suggested.

Our national prosperity is linked to our ability to perform well within the global economy; in other words, trading smarter. The Prosperity Initiative focused on how we can -- not only by improving our ability to compete, but also by capitalizing on new opportunities created by the FTA. When we decided some 14 months ago to participate in the NAFTA, we set out to expand on those opportunities by pursuing three objectives:

- better access for Canadian goods and services in Mexico;
- strengthening the benefits of the Canada-U.S. Free Trade Agreement and improving our access to the world's single richest market; and
- guaranteeing Canada's status as a highly desirable location for investors to serve the North American market.

We met each of these objectives in the agreement reached in the summer, opening enormous opportunities in a North American market of over 360 million -- opportunities companies are already exploiting.

Small- and medium-sized Canadian companies are not waiting for the NAFTA to be ratified; some are already exploiting new opportunities in the increasingly open Mexican economy -- one of