

allow the hard-fought deals made in the FTA to be re-opened. The agreement has been signed, sealed and delivered. We will not accept reductions in benefits that accrue to Canada under this agreement. However, the agreement itself enjoins the parties to seek further improvements in certain areas. The bottom-line test for any improvements will be whether they are in the Canadian interest and whether they are good for Canadian producers and Canadian jobs.

Let me give you two specific examples.

Canada will be seeking improved access to the U.S. government procurement market. We hope to build on the gains made under the FTA to cover even more government agencies and departments. Great strides were made in this regard under the FTA. Canadian firms can now bid on a limited number of contracts in excess of \$25,000, down from the previous ceiling of \$171,000. But that is not enough. "Buy America" restrictions and numerous so-called "set-aside exemptions" keep many doors closed to Canadian exporters. Canadian companies will have an opportunity to bid on many billions of dollars of government contracts now closed to them, if we can win removal of these discriminatory barriers.

Canada also comes to the negotiating table with an interest in gaining improved access for our financial services sector. Canada's banking community, for example, wants better access to both the Mexican and the U.S. financial industries markets. NAFTA is one way of achieving that goal. For this reason, Canadian bankers are supporting these negotiations. As Helen Sinclair, President of the Canadian Bankers' Association, said last fall, "Canadian banks applaud the federal government's new trade policy on Mexico." We intend, through the negotiations, to press the interests of our financial services industry in the U.S. and Mexican markets. No one can dispute the strength of Canada's banking industry. An enhanced ability to export its services will contribute to the economic well-being of all Canadians.

Some of the criticism of a North American Free Trade Agreement has involved accusations that North America is forming an insular trading bloc. This is not our intention, and it will not be the result. Rather than causing North American businesses to turn inward, a North American Free Trade Agreement will prepare them to set their sights even further afield. We strongly believe an agreement will encourage Canadians to form the strategic alliances in North America that can give our businesses the needed edge to meet and beat tough off-shore competition.

Japanese business success shows how a company should use the best of the resources available to it, whether those resources be domestic or foreign. A North American Free Trade Agreement will permit companies in all three countries to do just that. They