The ITAC and SAGITS are concrete examples of how effectively government and business can work together to enhance Canada's competitiveness in the global economy. To attain our GATT objectives in the coming weeks, we will need your continuing commitment.

In the recent great trade debate surrounding the Canada-United States Free Trade Agreement ("FTA"), some protectionists attempted to drape themselves in the GATT flag of trade liberalization.

As the Uruguay Round concludes in the coming weeks, we will finally have an opportunity to see who truly believes in trade liberalization, and who does not.

To complement and reinforce our GATT trade policy initiatives, we must secure our access with our neighbours in the vital North American market.

We are now heading into the third year of the free trade agreement that we concluded with our largest trading partner, the United States. Although it is still too early to measure all of the benefits, the initial signs indicate that the FTA is working well.

One of our primary objectives in the FTA was to secure access to the large American market so that Canadian exporters could invest with more certainty and develop the economies of scale required to compete in the global arena.

Canadian exporters are rising to the challenge. In 1989, manufacturing investment increased by 15%. Investment in plant and equipment now accounts for more than 16% of the Canadian GNP, which is second only to Japan among the G-7 nations, and is considerably better than the 12.5% figure recorded in the United States.

Before the FTA, many Canadian exporters were reluctant to invest in Canada because there was always the fear that their increased exports might become the target of a highly politicized American trade action.

To create a more business-like investment climate, we realized that trade disputes with our largest trading partner had to be de-politicized. Our government literally fought down to the wire to obtain an effective dispute settlement system in which Canadians are equally represented. We fought hard because we knew it was important to you.

The fight was worth it. The prestigious Journal of Commerce recently reported that the binational panels we created have been "an impressive success".

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