

liberalization, whether achieved multilaterally, bilaterally or trilaterally, is a necessary step to securing our future prosperity.

Our determination to ensure that the Canadian economy adapts to the pressures of a global economy has run up against powerful protectionist and nationalist forces. The debate in Canada has been fierce, but we have resisted those forces. We do not believe that protectionism has any part in preparing Canada for the twenty-first century. We believe that governments must manage change, not become its victim.

In today's world of interdependent economies and global markets, the key to our future prosperity lies in becoming more integrated into the world economy. That will involve negotiating secure and open access to foreign markets in return for open and secure access to our own market.

The world trading order is going through difficult times. The problems being encountered in bringing the Uruguay Round to a successful conclusion suggest the extent to which there is disenchantment with the existing order. Too many governments appear unable or unwilling to take the tough decisions required to make substantial progress. The goal of a liberal trading order has never appeared more desirable than it does today, the means never more elusive. We must continue to try, but we must not become prisoners of a single strategy.

Our destiny lies in our geography. If we are to become successful world traders, we must first of all become successful North American traders. Canada believes it makes sense to develop a much stronger North American base from which to tackle global markets and strengthen global rules.

The Canada-U.S. FTA requires Canadians to confront the reality of economic interdependence, of global competition and of geographic location. It brought the issue of adjustment to the forefront. It suggested the extent to which adjustment requires a national consensus favouring competition, a consensus forged between government, business and labour.

For those who believe that economies prosper behind high tariff walls and other forms of protection that thumb their nose at the rest of the world, free trade is bad policy.

But for those who believe that North America will prosper through more open trading conditions, who believe that barriers retard growth and that closed borders nurture inefficiency, free trade makes sense. It made sense when we