

It is a great pleasure for me to be able to be here today and to share this platform with Mr. Jaime Serra, Mexico's Minister of Commerce and Industrial Development, and Jules Katz, Deputy United States Trade Representative. This happens to be my first speech in my new job. I can think of no better place to begin than here in Montreal at a conference on this issue. Canada is a country which counts on trade; Quebec is a province which prospers through trade; and Montreal is a city built on trade. And the issue which this conference is considering is a very important economic challenge facing this country today -- a North American free trade agreement. The negotiation of that agreement is integral to the approach this Government has taken to trade for the last six and a half years. It, along with the Free Trade Agreement (FTA) and the ongoing multilateral trade negotiations (MTN), form the core of our strategy for building prosperity at home through trade abroad. The stakes at issue in these trade agreements are nothing less than the future prosperity of Canada, from coast to coast.

I have referred to my new job. And indeed there is much about that job which is new for me -- different responsibilities, distinct areas of concern. But while the detail is different, the fundamentals are the same. Much of what I did as Finance Minister was designed to make this country more competitive. A country mired in debt is a country debilitated. A country gripped by inflation is a country inflicted. A country made unattractive to foreign investors is a country made poor. And a country burdened with a sales tax which rewards foreign competition and an income tax which is unfair or outmoded is a country which prejudices its own progress.

People abroad watch how we manage ourselves at home. How well we manage ourselves at home determines how competitive we are abroad -- as an exporter and as a place to invest. The key is competitiveness. Competitiveness lets us trade. Trade makes us competitive. Competitiveness and trade are not add-ons or optional extras for a modern economy. Competitiveness and trade are what make an economy modern and make it succeed. That is not argument or ideology. That is reality. And it is not a new reality for Canada.

The Canadian market is small in comparison with others. Twenty-six million people cannot sustain a prosperous economy. The economies of scale are absent. The customers are too few. A Canadian economy which relied only on its own market would produce goods at high cost resulting in high prices. People would buy elsewhere -- in Europe, in Asia or in the United States, larger economies which have the economies of scale we lack. Canada would be condemned to an inferiority from which it could never recover.

Knowing that fact of life has made Canada into one of the world's great trading nations. Our industry knows it must compete abroad if it is to be successful at home. That's where the economies of