

Whistler, Niagara Falls and Quebec City are but some of Canada's internationally acclaimed holiday resorts, which I invite you to visit.

Canada and the U.S. took an historic step toward building a new concept of the Americas when we signed the Free Trade Agreement. In gradually removing tariffs and other trade barriers between Canada and the United States, the FTA has become a model of what countries can dare to achieve if they are willing to put sound economic principles to work. We have put in place a unique and effective system to deal with sometimes difficult trade disputes. These disputes represent only a small proportion of Canada-U.S. trade, but the development of a fair system to deal with them shows how much the two countries value their trading relationship. In short, Canada has secured access to its most important market. The agreement is a solid foundation for future growth.

The agreement has already brought about a significant growth in trade between our two countries. The value of our exports to the United States has risen by \$8 billion, or 7.5 per cent, since the agreement went into force. Moreover, since implementation of the FTA, Canada's trade balance with the U.S. has widened from \$14.2 billion in 1988 to \$17.4 billion in 1990.

Canadian firms have demonstrated that they can compete in the U.S. At their request, two rounds of tariff acceleration covering \$8 billion in two-way trade have been negotiated. In light of the success of these two rounds, we have recently announced a third round. That is solid proof that the FTA is working to the advantage of Canadian exporters.

Many Canadian business people say that the Canada-U.S. FTA has unleashed new energies in Canadian industry. Canadian businesses know that their strategies must include not only the Canadian market, but also the global marketplace, if they are going to thrive. The FTA has lifted restraints and broadened horizons. It has been credited by many in our private sector with changing the attitudes of Canadian businesses. Companies have been spurred to become more active and energetic in pursuit of new markets. When you see the remarkable achievement of some firms, it is difficult not to be impressed by the impact of freer trade. Not just big companies, but also modest sized firms, are finding new market niches opening up to them.

Our experience with the Canada-U.S. FTA gives us good reason to look forward to completion of the North American Free Trade Agreement. When our three countries implement a NAFTA, our capacity for economic growth will be markedly enhanced. The creation of a market of 360 million people will provide firms in all three countries with the potential for greater economies of scale. This will add to the efficiency and, hence, productivity of all three economies. Each of us has distinct assets and