

"There's no turning back from the new reality of global competition. Governments that adopt the view that they should discourage competition are doing a disservice to their people as well as the world. A nation can't progress economically, socially or culturally if it insists on viewing competition as a dirty word. In the new era in which we live, it is by stimulating initiative and the will to succeed, not by stifling it, that modern nations can achieve higher standards of living, greater security and improved conditions for their people."

With this thought in mind, the Mulroney government set out in 1985 to do what it could to expand Canada's export horizons, and from the start, it was always a two-track affair.

From the beginning, we have regarded bilateral and multilateral trade agreements as complementary initiatives, not mutually exclusive alternatives. Indeed, those who have studied the terms of the Canada-U.S. Free Trade Agreement know it is not a rejection of multilateral trade liberalization. Rather, it is a stepping-stone toward our ultimate goal of freer multilateral trade. In fact, by encompassing trade in services, we believe the Canada-U.S. FTA serves as a promising model for future multilateral and bilateral progress.

The ultimate goal of the trilateral North American Free Trade Agreement (NAFTA) negotiations is to create a North American market free of tariffs and non-tariff barriers that would permit the free flow of goods, services and investment among the three countries. The negotiation of such a North American agreement is a continuation and extension of the Canadian government's approach to international trade aimed at increasing Canadian competitiveness in an increasingly globalized trading world that is characterized by tough competition.

This drive for competitiveness has been coupled with the government's firm commitment to the progressive reduction of tariffs and other trade impediments as evidenced by signing the historic and precedent-setting Canada-U.S. FTA, two years ago, and by Canada's efforts to secure a successful conclusion to the General Agreement on Tariffs and Trade (GATT) Uruguay Round.

Indeed, Canada's number one trade priority is a successful conclusion of the Uruguay Round of Multilateral Trade Negotiations (MTN). These negotiations constitute, in themselves, Canada's most significant commitment to trade liberalization. Depending on how they progress, they may also have a secondary effect on the North American trilateral talks. Success of the MTN could make it easier to achieve a stronger NAFTA. Failure at the MTN could result in a smaller, less robust North American deal. In the face of the difficulties encountered at the MTN, we are happy still to be able to add to Canada's competitiveness through the NAFTA. Clearly, it's just common