

Unemployment is still too high at 11.4 per cent in April. But we have created 151,000 full-time jobs since August and employment has increased in 10 of the past 12 months.

Canada has a number of notable strengths that contribute greatly to our international competitiveness: a strong industrial base, a vibrant university sector, a skilled workforce, and a healthy infrastructure. These strengths should not be underestimated or taken for granted. Continuing high investment has brought a strong increase in productivity during the past several quarters.

Our strengths have not gone unnoticed. For example, only last week a Sake (Saki) barrel was opened to inaugurate the new DNN Galvanizing Line in Windsor, Ontario, a major joint venture investment by Dofasco of Canada, NKK of Japan, and National Steel of the United States.

After almost four years in operation, the Canada-U.S. Free Trade Agreement (FTA) has more than proved its worth. In just the past year, we've seen an export-led recovery in which Canadian exports to the United States increased by over 13 per cent, resulting in a \$17.7-billion trade surplus for Canada.

The FTA has increased Canada's trade potential, created a positive climate for the Canadian-based export industry and established opportunities for foreign investors in Canada to better serve not only Canadian needs but, from a Canadian base, those of the world's largest market in the United States.

The NAFTA now gives us an opportunity to protect and improve the liberalization gains of the FTA. Let's recall some of the ways the NAFTA will be good for both Japan and Canada.

- After more than four years of enjoying the benefits of the Canada-U.S. FTA, we know that it has facilitated expanded trade. It's a win-win affair for both parties. And this in spite of the recent recession. The NAFTA builds on the FTA. NAFTA-led growth and prosperity will lead to greater demand, and increased demand will lead to new opportunities for Canadian and Japanese business.
- From Canada, the NAFTA will provide access to a North American market of 360 million people -- access that will benefit from all the negotiated rules of fair play built into the Agreement.
- And to mention an improvement over the FTA of particular value to potential Japanese investors, Japanese firms that expand into the United States or Mexico from their Canadian base will receive all the protection in these countries of the NAFTA's national treatment provisions received by Canadian-owned firms. We want Japanese investors to choose