

"These facts and figures are not directly attributable to the Free Trade Agreement -- obviously there are many other factors at work when business people make decisions -- but they are indications that the federal government's economic competitiveness strategy is going in the right direction."

The Minister reiterated the Government's view that "the FTA is a cornerstone in the federal government's strategy to improve Canadian competitiveness."

Other aspects of this strategy include: Canada's participation in the Uruguay Round of Multilateral Trade Negotiations, which aims to reduce the barriers to international trade; and, domestically, measures such as deregulation, privatisation and reduction of inter-provincial trade barriers, improving the climate for foreign investment, increased funds for training and self-help programs, the fight against inflation, the effort to reduce the size of the federal deficit, and tax reform.

"All of these initiatives have been designed with a view to enhancing Canada's overall productivity and competitiveness," said Mr. Crosbie.

"The Government believes that its strategy is the right one. This view is shared by the Organization for Economic Co-operation and Development. In its 1989 review of the Canadian economy, the OECD pointed out that: 'Output growth in Canada has continued over the last 18 months at a rate second only to Japan among the major OECD economies, while employment growth was the most rapid of any of these countries'."

In summary, Mr. Crosbie remarked that one year into the operation of the FTA, it is evident that:

- The policy rationale for the deal remains sound.
- Implementation is proceeding on track.
- It is too early to make a definitive judgement of the economic impact.
- The economy is adjusting well to the many forces of change, including trade liberalization.
- Business and government are making effective use of the trade dispute settlement process.
- The tariff acceleration process is a notable success, and
- Canadian business is showing keen interest in developing U.S. market opportunities.

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