

As well, we finally resolved the beer dispute with the United States. And we completed the environment and labour side agreements to the North American Free Trade Agreement [NAFTA].

Exports are the engine of growth in our economy, and they continue to lead Canada out of the global economic recession of recent years. In the first six months of this year, our merchandise exports were \$87 billion -- up 15 percent from the same period in 1992. These figures take on added meaning when you consider that each billion dollars of new exports generates about 15 000 jobs.

Let there be no doubt about the benefits Canada has gained from the Canada-U.S. Free Trade Agreement [FTA]. The trade figures provide ample evidence. For example, our merchandise exports to the U.S. hit a record \$122.3 billion last year, despite slow economic conditions.

The trend continues this year. To the end of August, our trade surplus with the U.S. was \$14.2 billion. That's 41.8 percent higher than the same period last year.

A recent study by the C.D. Howe Institute illustrates the kind of growth I'm talking about. According to the study, Canadian exports to the U.S. increased in value by an average of 33 percent between 1988 and 1992 in sectors liberalized by the FTA. Significantly, the growth was mainly in high-wage, high value-added industries.

One of the main findings of the study is, and I quote: "The Canada-U.S. Free Trade Agreement (FTA) is placing Canada in a better competitive position in industries vital to the country's future economic growth."

The NAFTA will build on that success, contributing to the growth our economy needs to get deficits and debt under control. Through this agreement, exporters of goods and services will gain better access to the U.S. market, a stronger dispute settlement process, and an important opening to the expanding Mexican market, which has been protected for too long by high tariffs and other barriers.

The NAFTA and its side agreements will help create a level playing field across North America for Canadians. It will stimulate vast new opportunities in a continental market of 360 million people -- the world's largest market.

While most Mexican products -- about 80 percent -- already enter Canada duty-free, Canadian exports to Mexico face an array of tariffs and other obstacles. In pursuing the NAFTA, Canada wanted to correct this imbalance -- and we did.