

An important element in avoiding new barriers and in avoiding harmful uncertainty about possible new barriers will be a reinforced commitment to openness, transparency and ongoing consultation by the European Community and its members states with its major trading partners.

The single largest development in Canada's trade policy in the past four years has been the Canada-U.S. Free Trade Agreement. This initiative builds on, and in some cases goes beyond, GATT rules and achieves important breakthroughs in tariff elimination, investment, services, procurement and dispute settlement, among others ... advances that we hope will provide momentum to further liberalization under the GATT.

The relationship between Canada and the United States under Free Trade will, of course, differ from that among the member states of the European Community. While the European Community will operate under common rules and under common institutions, Canada and the United States will operate under national treatment rules with common institutions only for dispute resolution. Yet the broad scope of trade liberalization between Canada and the U.S. is such that, Free Trade will bring many of the same advantages and opportunities for businesses in North America that 1992 will bring for businesses in the European Community.

And Europeans might pursue a parallel exercise, to investigate the new opportunities for trade and investment that Canada-U.S. Free Trade will bring.

The Free Trade Agreement is a good reason to invest in Canada to serve the North American market. But that is only one of the good reasons to invest in Canada.

Canada has one of the most diversified economies in the world. Our economy has evolved from one based primarily on natural resources to being one of the world's leading industrial economies, ranking second among OECD countries in GDP per capita, when measured in terms of purchasing power.