

General Agreement on Tariffs and Trade (GATT). You saw this commitment two years ago when Canada and the United States signed the historic and precedent-setting Free Trade Agreement (FTA).

Both countries have realized a number of benefits from the FTA, from increased investment to increased trade. Indeed, a \$4.3-billion foreign direct investment surplus last year was Canada's first such surplus in a decade. We believe a North American Free Trade Agreement will add to the gains of the FTA. For Canada, the effects of a North American agreement will not be as significant as those of the FTA. But, moderate though its impact will be, it will add positively to Canada's economic performance.

The immediate benefits of an open Mexican market for Canadian exporters may be modest. But as Mexico grows, as increased trade translates into increased prosperity for Mexican workers, then I think Canadian exporters will be busy trying to keep pace with what will probably become North America's fastest growing market. Even now there are important business opportunities to be found in telecommunications, transportation, oil drilling and exploration equipment, and pollution control and abatement technology. Canadian exporters will also find opportunities in agricultural, consumer and automotive goods.

Perhaps more importantly, the creation of a trilateral market with a combined Gross Domestic Product of US\$6 trillion will allow Canadian companies to strengthen their international competitiveness. This new marketplace will offer the framework for new business partnerships. It will strengthen North American business on the global stage.

Our participation in a successful North American Free Trade Agreement will guarantee that Canada continues to be a prime investment location for investors from around the world. It will demonstrate to investors that investing in this country will guarantee secure access to all three markets. It will serve as a signal to investors that Canada is positioning itself to secure its future prosperity.

In the controversy generated around initiatives such as this one, the main purpose of our efforts sometimes becomes obscure or forgotten. It is, plainly stated, to reduce obstacles to trade. Artificial trade barriers are a drag on economic well-being. The more freely people can exchange goods and services, the more efficient our economies will become.

Mexico's trade barriers have hampered Canadian exporters' efforts to compete for a slice of the Mexican market of 85 million people. In announcing in February our intentions to join the talks, Canada wanted to ensure that Canadian exporters enjoy the same access to the Mexican market as do U.S. exporters. If we had not moved to join the talks, a bilateral U.S.-Mexico trade