

Good afternoon:

It is a pleasure to welcome you to Ottawa. I also welcome this opportunity to share with you Canada's perspective on the North American Free Trade Agreement (NAFTA), as well as what it means to trade within this hemisphere.

Your visit is timely because Canada's Parliament is in the final stages of passing Canada's NAFTA implementing bill. The NAFTA will link Canada, the United States and Mexico into the largest trading area in the world. The NAFTA is a key part of the solid foundation for trade and investment in Canada that the Mulroney government has been building for close to a decade.

The NAFTA supports Canada's strong commitment to expanding trade relations in this hemisphere and our goal of building new partnerships with our neighbours in the Americas. Trade is essential to Canada's prosperity. More than a quarter of our economy and one third of our jobs are dependent on exports. Increasingly, Canada is developing as an exporter of manufactured goods and innovative services. In telecommunications, aerospace products and transportation, Canada is a world leader.

Through trade liberalization, we both preserve and create jobs, and enhance the prospects for Canadian companies to compete successfully worldwide. This is the proven strategy for growth and improvements in Canada's standard of living.

During the past decade, trade liberalization has helped Canada achieve an annual growth of 7 percent in international trade -- faster than the rate at which world trade has grown and in spite of a downturn in the world economy. In March of this year, the Canadian economy enjoyed its best monthly performance in two years. Canada's gross domestic product jumped by 0.7 percent, the largest monthly gain since April 1991. A few weeks ago, the Organization for Economic Co-operation and Development (OECD), predicted that Canada's economy will grow faster than any other major industrial country this year or next. As well, Canada is expected to lead the OECD for employment growth during this period. Clearly, Canada is on the right track.

Our economy is becoming stronger because of solid export performance in the manufacturing sector, particularly Canadian autos and high-tech equipment bound for U.S. markets. Some of this economic growth can be attributed to the Canada-United States Free Trade Agreement (FTA). Canadian exporters are more productive and competitive than they were before the FTA came into effect four years ago.

Canada's positive experience with the FTA helped us decide whether to enter into the NAFTA negotiations with the United States and Mexico in 1991. We could have stood back and let those countries sign a deal by themselves.