

United States for its lottery tickets. By targeting American states that are close to Winnipeg, Pollard Bank Note will be able to compete for another \$40 million of business every year. This is a good example of what happens when you open up new markets for competitive Canadian companies.

There are many other examples that all add up to create benefits for Manitobans. I think your Department of Industry, Trade and Tourism summed it all up when it said:

The Agreement has made it much easier, and will make it more so in future, to do business in the U.S. from Manitoba and all Canada.

However, the FTA is not simply about the U.S. market. We also see the FTA as providing a stepping stone to increased trade in other markets. With better access to the American market, we can increase our competitive skills which will enable us to move more effectively into markets around the world.

This is one of the reasons why Canada recently launched a trilateral initiative with the United States and Mexico to create a North American Free Trade Agreement.

Many of you may be wondering why Canada needs a North American Free Trade Agreement, and what good it will do us. There are really two basic reasons. First, we want to be part of the NAFTA so we can be on an equal footing with the U.S. for attracting investment and so we can protect our interests when the trading rules are defined for the continent we share with the U.S. and Mexico. We also want to participate in these talks because we see emerging opportunities in the Mexico market.

Imagine what would happen if Canada were not at the trilateral negotiating table.

First of all, a U.S.-Mexico Free Trade Agreement that excluded Canada would counteract some of the FTA's investment advantages. Why? Because investors in the U.S. could now have access to all three North American markets, whereas investors in Canada would only have access to two. If Canada were not involved in this enlarged free trade area, important job-creating investment could well decide to go elsewhere.

It is not in Canada's interests to have the U.S. create a series of "hub and spoke" trading relationships in which the Americans are the hub and Canada and several other countries are mere spokes. That's why Canada must be front and centre in these key negotiations that will affect our access to the emerging North American market.