

that that is the road to disaster. The companies that are closing, the jobs we are losing are, in most cases, companies and jobs that could not adjust to meet the tough reality of a global economy. I take no satisfaction in making this point. But it is a point that we must never forget.

That is why Canadians must be at the forefront in every major trade negotiation. We live by trade and are critically dependent on the rules. We insist on a seat at every trade negotiating table because our future depends on it. We know that we can always count on the protectionists -- at home and abroad -- and we know that the only effective weapon against them is a good rule book, a rule book that is constantly updated and improved. In a poll my Department will be releasing later this week, four Canadians out of five said in March that Canada was right to be at the North American Free Trade Agreement (NAFTA) negotiating table protecting our interests, in a negotiation that will go on with us or without us, with an impact on Canada either way.

We are a nation with many advantages -- an educated work force, abundant resources, and an efficient infrastructure. With the right will and determination, the world can be our oyster.

I do not have to tell this audience that to get there, we need a policy mix that rewards private initiative and that encourages entrepreneurs to look to the future with confidence and to search both inside and outside of Canada for opportunities.

The FTA is thus working as domestic economic policy. Coupled with the rest of our agenda for economic renewal, it is giving Canadian business the incentive to restructure and retool to meet global competition and thus create the base for our future prosperity.

What about the FTA as a management tool in our relations with the United States? How successful have we been in meeting that objective?

The U.S. market is a big, dynamic market, critically important to the success of many Canadian-based companies. The United States is by far our best customer, and we are its best customer. Last year alone, we did \$256 billion of business. No one else comes close to that figure. And it is quality business. It is software and engineering contracts. It is satellites and subway cars. It is flight simulators and wing assemblies. Something like 35 per cent of the output of our manufacturing sector is destined for the U.S. market.