

also growing strongly. In 1989, gross inflows of foreign investment into Canada from the U.S. totalled over \$7 billion while gross outflows of Canadian direct investment to the U.S. was over \$6 billion.

Overall spending in 1990 by Canadian industry on plant and equipment is projected to rise 8.9% over 1989 according to the latest investment intentions survey.

And perhaps most important of all, Canadian firms are positioning themselves to compete in the post-FTA environment and a more dynamic, competitive industry is being created. With wider experience in the U.S. market under their belt they are casting their eyes to opportunities further afield, here in Europe and across the Pacific to Japan and Asia. And I am pleased to note that they are having success. For example, with respect to Japan we have developed an \$18.3 billion two-way trade, which grew by 25% the past 2 years and is almost in balance.

I know that when news of the Canada/United States Free Trade Agreement was first made known, some in Europe were concerned that this agreement would create a fortress North America---just as there have been those back home who spoke of the creation of a Fortress Europe as part of the European community's internal market initiative. I believe that these fears have been laid to rest and I am convinced that they are not well founded.

The agreement concentrates on bringing down barriers to trade and investment between Canada and the United States. It does this without in any way erecting barriers to other countries.

In fact, by bringing down those barriers, we have created even greater opportunities for investors in Canada because they will now have freer and more secure access to the North American market.

This means, for instance, that the Free Trade Agreement will enhance the profitability of existing Finnish operations in Canada, and substantially expand the scope for new investment as the FTA strengthens the Canadian economy. The agreement conforms with the GATT. For Canada this is a vital point.

Canada supports the reduction of protectionism in all its forms and we unequivocally support the successful conclusion of the GATT Uruguay Round talks.

The GATT talks are crucial to the fate of trading nations like ours because the interests of our exporters lie primarily in a healthy multilateral trading system, not in regional or unilateral initiatives.