

It gives me great pleasure to be able to participate in this forum on Canada. Thank you for inviting me.

Our topic in this session is trade and investment:

- Canada's strategy for export market development;
- our trade negotiating strategy; and
- the link between trade and investment policy.

Let me start by turning back the clock to 1984, when my colleagues and I first took office. It was in November of that year that we published a document entitled A New Direction for Canada: An Agenda for Economic Renewal.

In that paper, we stated that "restoring Canada's stature as a first class trader was fundamental for economic renewal". We noted that "Canada was the only major industrialized country without secure access to a market large enough to permit substantial economies of scale". And we stated that "if we are to foster growth through trade, we must obtain more secure and improved access to foreign markets on the broadest possible basis".

In light of these realities we promised, "as a matter of priority" to examine "all avenues to secure and enhance market access" including "a careful analysis of options for bilateral trade liberalization with the United States", as well as preparing for multilateral negotiations.

That is what we promised in November of 1984; and, as you know, that is exactly what we did during the next four years.

We called it our 2 track trade policy.

Track number 1 was, of course, a bilateral free trade agreement with the United States. It's purpose? First, to improve the ability of our value-added producers to compete internationally, by securing tariff-free access to a world-scale market. Second, to limit the uncertainty caused by the growing resort to non-tariff barriers.

And third, to strengthen our negotiating position in future multilateral discussions, particularly in such ground-breaking sectors as trade in services and investment.

Track number 2 was the next round of GATT negotiations -- now known as the Uruguay Round -- where our fundamental objective is to increase our opportunities to actually compete for export sales.

I emphasize the two track nature of our trade policy for a purpose: to highlight the different, but complementary, objectives of each track. For the Free Trade Agreement, while clearly about increasing exports, is more about increasing our ability to compete at home and abroad, while the ongoing GATT negotiations focus on increased opportunity to trade -- to use our new found ability.

Now, as my colleagues and I commence our second mandate with the bilateral free trade agreement in place, we are attempting to take the next step forward.

Our first goal for this second term is a successful conclusion to the Uruguay Round -- a result that is absolutely critical to global prospects. Indeed I would suggest it is no exaggeration