

And of course our continental partner, the United States, is also a Pacific Rim neighbour.

I spoke earlier about building bridges, not barriers, to economic growth and, specifically, about the elimination of domestic barriers, like FIRA and the NEP. Of course, not all such barriers are domestic. That is why we have embarked on major initiatives to enhance our trade relations with our GATT partners as well as specifically with the United States.

Canada and the U.S. have an economic partnership that is the envy of the world. And no wonder! Our two economies are highly integrated. We share a Continent, a common language, similar cultures, consumer tastes and habits as well as business practices.

The vast North American market is the richest in the world, and Canada is an integral part of it. Many markets on this Continent operate on a regional, cross-border, North-South basis. For example, more than 35 million consumers are within two days' trucking distance of B.C. this includes major urban markets in British Columbia, Alberta, Saskatchewan, Washington, Oregon and California.

In 1984, Canada and the U.S. did more than \$150 billion (Cdn) in two-way trade in goods and services. More than two million American and two million Canadian jobs depend on that trade. By 1987, 80 percent of Canadian exports south of the border and 65 percent of U.S. exports to Canada will be duty-free.

Without a doubt, there is no more important or complex trading relationship in the world. Traders and investors in both countries need governments to set standards of conduct which are appropriate for a relationship of such size and sophistication. A long-term, binding trade treaty can give them that certainty, by limiting the ability of interest groups on both sides of the border to use harassment tactics.

Given the obvious integration of our economies, it is simply not in our mutual interest to maintain tariff and non-tariff barriers that prevent Canadians and Americans from achieving the full potential of which our people and our resources are capable.

The government believes we must work vigorously to address these barriers. We must make every effort to ensure that our economic relationship with the U.S., that has set the world standard in terms of size, cooperation and dynamism, is not impeded by such obstacles to growth and development.

Barriers to trade are, quite simply, barriers to business. They are an international deterrent to entrepreneurial activity. The government is working to break down trade barriers because we believe that international cooperation in the interest of continental as well as global objectives is absolutely essential today. To do otherwise, in my opinion,