

In 1986 and the first half of 1987, Canada outperformed every other industrialized country, including Japan, in terms of output growth.

But there is more, much more that we want to accomplish.

Given that one third of our output and three million Canadian jobs are dependent on trade, trade policy is at the very heart of the Government's mandate to build Canada for the 21st century. Improving our key trading relationships is a top priority.

The first logical step is to develop a freer, more predictable and more secure relationship with our single largest and most important trading partner.

The Prime Minister has referred to the Free Trade initiative as:

"A declaration of confidence in ourselves. Confidence in our ability to compete with the best in the world. Confidence in our ability to adapt in a tough and demanding international economy."

Premier Devine has described the Agreement in the following way:

"A Free Trade Agreement is not easy, but I believe it would be right historically and right for the future. I believe that we are mature and sophisticated enough to lead and not simply follow our fellow members of the global family."

So, what did our negotiators accomplish?

In general terms Canada and the United States have agreed to:

- phase out all tariffs between us within 10 years;
- set innovative rules for trade in services;
- provide secure access and non-discriminatory treatment for each other's investors;
- expand opportunities to compete for government purchases in each other's countries;
- strengthen automotive industries on both sides of the border, not only by reaffirming our commitment to the Auto Pact, but also by expanding its application; and