

At home, a series of trade-promotion initiatives were introduced to complement trade-policy developments. These include Going Global, Pacific 2000, Europe 1992 and, most recently, Access North America.

At the same time, Canada has opened its own market to the benefit of Canadian firms and consumers who thus gain access to capital, goods and services in greater variety and at competitive prices.

The Strategy is Working

With price stability comes new confidence among both investors and consumers. Canadian inflation is now one of the lowest among industrial countries, lower than it has been for 30 years, and interest rates have also fallen significantly.

Canada is beginning to see evidence of a strong recovery led by the exports of manufactured products to the United States. Real manufacturing output per person in Canadian industry rose by 0.4 per cent in 1991 and continued to rise in 1992 and into 1993. The employment picture is also turning around. The Canadian economy generated more than a million new jobs over the past eight years, many of them related directly to exports.

In the past three years, employment in managerial, administrative, professional and technical occupations increased by nearly 200 000. We need more jobs, but the economy will not be able to sustain them unless we are prepared to become competitive on a world scale.

The fundamentals of our economy and trade are coming together. As the economy is successfully restructuring, our trade performance is leading the way. Canadian merchandise trade with the United States has increased steadfastly during the first four years of FTA implementation. Our trade is also becoming steadily more diversified and more competitive as new exporters, new products and new markets are added to our export profile.

Naturally, more remains to be done, in particular the dismantling of interprovincial trade barriers, including discriminatory standards, employment requirements and provincial procurement preferences. These constitute an unnecessary drain on productivity. The Canadian Manufacturers' Association (CMA) has estimated that these barriers cost the country about \$6 billion per year.

It is also critical that we bring the Uruguay Round of GATT negotiations to a successful conclusion. The Uruguay Round offers greater benefits in a wider range of markets. The interdependence of the various trade agreements further underlines the need to complete the Round. In some respects, the NAFTA anticipates the results of the Round, such as in the chapters on financial services and intellectual property; in others, a successful Round will complement and strengthen the rights and obligations of the NAFTA, such as for agriculture and the draft subsidies code.

The Road to Agreement

Informal discussions between U.S. and Mexican officials in 1989-90 considered the prospect of a bilateral United States-Mexico free trade agreement. In June 1990, U.S. President Bush and Mexican President Salinas committed their governments to negotiating a free trade agreement between their countries. In Canada, the Government consulted with parliamentary, provincial, private-sector, academic and other interested parties and concluded that there was broad support for Canadian participation in the negotiations. On June 12, 1991, the three trade