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support an outward-looking growth-oriented economy able to successfully compete in the global marketplace.

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On the home front, our international efforts must be complemented by a more active dismantling of those domestic barriers that inhibit a more competitive and integrated Canadian market.

The fifth major element of the competitive study and competitive rebirth must be that of ensuring that Canada retains its ability to participate in a meaningful way in the foreign markets. This can only be ensured by a strategic approach to international trade negotiations such as that followed by the government in its successful negotiations with the FTA, the Uruguay round and NAFTA.

The presenter of the motion before us today does not seem to understand that trade within North America is already at a level of some \$250 billion annually in American dollars. Negotiation of a North American free trade agreement is a vote of confidence by the three countries in the anticipated future of that trade.

Seldom have trade negotiations proceeded on such a solid foundation as that provided by Canada, the U.S. and Mexico. I have already noted that the three-way trade is approximately \$250 billion American in trade. To that fact I may note that the combined gross domestic product of the three parties is in excess of \$6 trillion U.S. If you are looking for a market in which to develop, produce and sell your goods, you would certainly have a difficult time finding a better one and a more expansive one in the world than the North American market.

The North American market will afford Canadian companies greater opportunities to forge additional economies of scale and production efficiency. On a foundation of enhanced competitiveness, they will be able to increase the capacity of their production as the barriers to trade are gradually phased out.

When considering the need for Canada to be an active participant in NAFTA negotiations, I would ask members to reflect on the fact that Mexico, after the United States, is our largest trading partner in the western hemisphere. As I said, a successful NAFTA negotiation will open up the Mexican market, which itself is poised for expansion. While trade between Canada and Mexico is relatively small now, accounting for some \$2.2 billion

in two-way trade, a NAFTA will provide an opportunity for us to expand upon that lucrative market for Canadian companies.

In the first instance, Canada seeks to negotiate the gradual removal of Mexican tariffs and other import barriers that currently block Canadian exporters of goods and services from reaching their full potential. The Mexican market is currently 85 million strong and is growing with each passing year. As the economy of Mexico grows, so will the purchasing power of its citizens. Mexico is an economy in transition and a successful NAFTA will help to position Canada to take advantage of the growing commercial opportunities that are presenting themselves in that country.

Also of great importance is the need for Canada to preserve its place as a preferred location for investment, both foreign and domestic. By offering investors access to not only the Canadian market, but also to those markets in the U.S. and Mexico, Canada will help to maintain our inherent attractiveness as a place to do business. A North American free trade agreement will guarantee that no matter where a company chooses to build its plants, it will have access to all three countries, and artificial trade barriers will not be a determining factor as they make those decisions.

I have also heard the minister say that Canada has a chance to build upon the achievements of the FTA where such improvements are of benefit to Canada. This was noted before, but now the Liberal Party seems to be saying yes, we are against the motion today; we want the FTA to remain but we want to improve upon it. Well, we have that opportunity in the NAFTA negotiations to explore the possibility of mutually beneficial improvements to the FTA. For example, maritime shipping could be one area that we certainly would look at. Also, content of cars in the agreement could be looked at.

A successful NAFTA would provide Canadian firms with greater access to the lower-cost production inputs that are necessary if we are to remain competitive with the dynamic economies of Europe and the Pacific Rim that we are competing with. The ability under the agreement to source high-quality products, high-quality components from, say, Mexico by our Canadian component assemblers could be a definite advantage to the competitiveness of our companies.