

The fact is, fewer than 100 large Canadian companies account for 70 percent of our exports. We've got to do more to encourage small- and medium-sized businesses to look beyond our borders for new growth markets.

Now, government by itself can't put those potential new exporters into foreign markets, but what we can do is open doors and help them through. We can help them see the opportunities that exist for trade, not only in goods, but also in services, technology and investment. In particular, we are trying to encourage Canadian business to focus on the fast-growing markets of Asia and Latin America.

Let's look at Asia for a second: average growth rates of 5-6 percent; the ASEAN [Association of Southeast Asian Nations] "baby tigers" growing even faster; China's economy projected to be bigger than that of the U.S. by 2015, with a middle class of 350 million people.

Latin America has average national growth rates around 4 or 5 percent. Mexico, with a middle-income population of around 25 million, registered a 26-percent increase in imports last year alone.

Our role as a government is to encourage exports to these growth areas, through trade policy and market development. These are challenges we have never shied away from.

We took a leadership position in launching the Uruguay Round of multilateral trade negotiations in 1986, and we have continued to push for its completion. In 1989, we implemented the Canada-U.S. Free Trade Agreement (FTA) to improve our access to the market that buys more than 75 percent of our exports. Along with dropping tariff and non-tariff barriers, we negotiated a dispute settlement mechanism that ensures a fair and effective hearing when disputes arise.

Has the FTA succeeded? Last year, despite slow economic conditions, our merchandise exports to the U.S. hit a record \$122.3 billion; the growth trend has continued since January 1992. During the first seven months of 1993, our trade surplus with the U.S. was \$12.7 billion, up \$4.4 billion from the same period last year.

The C.D. Howe study released on September 16 shows that in sectors liberalized by the FTA, Canadian exports to the U.S. increased in value by an average of 33 percent between 1988 and 1992.

What's more, the growth was mainly in high-wage, high-tech, high value-added industries. To quote from the report, these are "industries crucial to Canada's economic future, and free trade