

We all know that the world economy affects Alberta through energy markets, through agricultural markets and through opportunities for industrial diversification. In all these respects the signing of the Free Trade Agreement on January 2nd by President Reagan and Prime Minister Mulroney marked a big step forward. More secure access to the U.S. market will generate more jobs and revenues in the energy sector, draw in more investment, (including investment in pipeline and other megaprojects, if and when these are needed), and reduce the costs and risks borne by Canadian energy consumers. There are important new export possibilities for canola oil, soybean oil, and high quality wheat and oats. Alberta, which is very attractive as a human and corporate environment for many enterprises in the Western U.S., stands to gain a good deal from the Free Trade Agreement.

But in addition to those domestic advantages, the creation of a free trade area between Canada and the U.S.A. comes at a very critical time for world trade.

Had it not been possible for two countries with so much in common to reach a comprehensive agreement, then the prospects for the wider multi-national negotiations would have been very poor indeed. There are already enough road blocks in the way of the Uruguay Round. Many countries have policies that shelter particular sectors from foreign competition, impose unnecessary restrictions on trade partners, or apply trade measures selectively. Some countries in a very strong trade position have not yet assumed the level of trade obligations that their strength merits.

A priority for Canada in the multilateral negotiations will be to get more access to our main non-U.S. markets. The emphasis, naturally, will be on Japan and Europe both as partners in reforming the GATT and as markets where we seek a lowering of tariffs and non-tariff barriers on products that count.

The countries involved in the Uruguay Round Negotiations will be gathering in Montreal early in December for a Mid-Term Review Conference to take stock of progress in the negotiations and to plot the way ahead. There are special areas where we hope for progress: in strengthening the functioning of the GATT; in Agriculture; in so-called 'safeguards'; and in the new trade policy areas of services, investment and intellectual property. Let me discuss them in order.