

We need to respond as well to political and other developments affecting major markets for our products and services.

The formation of the single market in the 12 countries of the European Community presents new challenges as well as new opportunities. This market of 360 million has replaced the United States as the largest source of direct investment in the world.

Doing business poses other trade and investment challenges -- and opportunities -- in the emerging market economies of Central and Eastern Europe.

Many of the fastest-growing economies in the world have been in Asia, and our trade with them is already significant: We anticipate that at the turn of the century we will be doing \$50 billion in trade with Japan and the so-called "Four Tigers." Ten of our top 25 export markets are now Asia-Pacific economies.

Eight-and-a-half years ago, when the government that I serve first took office, we recognized that the world was changing. We recognized that the transformation to a more integrated, global economy was accelerating and that Canada needed to respond. So we developed and implemented a comprehensive plan of action.

Through privatization, deregulation, tax reform and fiscal control at home, and through a progressive, outward-looking trade policy centred on the General Agreement on Tariffs and Trade (GATT), the Canada-U.S. Free Trade Agreement (FTA) and now the North American Free Trade Agreement (NAFTA), we constructed a solid framework on which to build Canada's economic future. We are also moving to eliminate trade barriers within our domestic market to enhance our competitiveness at home and abroad.

The most important pillar of Canada's international trade policy is our participation in the GATT and our commitment to a successful conclusion in the Uruguay Round of the Multilateral Trade Negotiations. Canada was an architect of the strong multilateral trading system from the time of its inception; we view it as more essential than ever.

For Canada, a successful Uruguay Round would serve a number of specific purposes. It would lead to an estimated \$200 billion in increased trade annually, boosting world growth and development through the freer exercise of comparative economic advantage.

It would strengthen and improve the framework that governs a quarter of our exports and a third of our imports in trade with countries other than the United States. It would address trade issues between Canada and the United States that were not resolved by the FTA or the NAFTA.