

Canada is one of the most attractive and profitable business environments in the world. In fact, you may not be aware that Canada has the fastest growing and most dynamic economy among Western industrialized countries.

Canada also has an investment policy that actively promotes investment by Canadians and non-Canadians alike.

We have a sophisticated communications and transportation infrastructure.

And we have a quality of life that is second to none in terms of health, education and recreation.

That is why investors continue to invest in Canada at record levels.

These, then, are the facts in the free trade debate. History has clearly shown us that Canadians and Americans have adapted and prospered as we have reduced barriers to our trade. You simply cannot argue with this success although protectionist forces on both sides of the border try awfully hard to do so.

Canadians understand that the U.S. is grappling with a large deficit. However, Canadians would like Americans to understand that as far as your trade deficit is concerned, Canada is not part of the problem. Trade expansion with Canada is part of the solution.

You may not be aware that it is Canada -- not Japan, not the European Community -- that is America's largest and fastest growing export market.

In the first two quarters of this year, U.S. exports to Canada increased by \$3.5 billion (U.S.) over the same period in 1986. If this trend continues, last year's \$13.3 billion (U.S.) merchandise trade surplus in Canada's favour would be reduced below \$12 million (U.S.). The difference will be almost entirely the result of an increase in American exports.

And when you add in our trade in services, our current account is roughly in balance.

Canadians believe that it is time to build bridges, not barriers, to the economic growth and prosperity that comes with increased trade. The U.S.-Canada trade agreement is just such a bridge.