

implementation -- from \$292.5 billion in the period 1986-88 to \$323.7 billion in the period 1989-91 -- but our trade has become steadily more diversified and more competitive as new exporters, new products and new markets are added to our export profile. In short, it has proven to be the catalyst through which Canadian industry is adjusting to the challenges and opportunities of globalization.

Today, finished products, including advanced technology products such as telecommunications, account for 45 per cent of our exports, matching our exports of resource products.

In October 1989, Canada announced a new Latin America strategy designed to strengthen our participation in hemispheric affairs. Our decision to become a full member of the Organization of American States, in January 1990, signalled this new emphasis.

Last month, Canada, along with Mexico and the United States, concluded negotiations for a North American Free Trade Agreement (NAFTA). It builds on the FTA to create a market base of 360 million people and a Gross Domestic Product (GDP) of seven trillion dollars. This is a major step in our strategy for the Americas, one that will have profound consequences for Canada and the hemisphere. We are equipping ourselves to meet the challenge of globalization and competition by crafting an agreement that will be trade-creating and outward-looking.

My government's approach to the challenges of international globalization and competitiveness also underlies our domestic policy initiatives. Since taking office in 1984, we have worked to create a resilient, private-sector-led economy -- an economy able to respond quickly and effectively to the changing challenges and opportunities of a globalized era.

Three interrelated and mutually reinforcing goals are at the heart of the Government's economic strategy of privatization, deregulation and fiscal restraint:

- to remove obstacles to growth,
- to encourage entrepreneurship and risk-taking, and
- to support those in genuine need who cannot adapt quickly enough to changing circumstances.

So far, our strategy is working.

At 1.2 per cent, Canadian inflation is now the lowest among industrialized countries -- in fact, lower than it has been for 30 years -- and interest rates have fallen significantly. Various think tanks suggest that our productivity performance may improve by as much as 8 to 10 per cent in 1992 and 1993.