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Minister of Finance

Ministre des Finances

Ottawa, Canada K1A 0G5

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2007FIN213537

Ms. Mary Anderson
President
Canadian Association of Importers and Exporters Inc.
1618-438 University Avenue
Box 60
Toronto, ON M5G 2K8

Dear Ms. Anderson:

Thank you for your correspondence of March 1, 2007 regarding trade and investment.

In Budget 2007, Canada's new Government makes a historic investment of more than \$16 billion over seven years in infrastructure, bringing total federal support for the provinces, territories and municipalities to an unprecedented \$33 billion in a new long-term plan for infrastructure. The plan includes a total of \$1 billion for the Asia-Pacific Gateway and Corridor Initiative and \$2.1 billion for a new national fund for gateways and border crossings. These major investments will help improve the flow of goods and people between Canada and the rest of the world, including at our major border crossings with the United States.

As promised in *Advantage Canada*, Budget 2007 sets out a financing strategy for a new crossing at Windsor-Detroit. The Canadian half of the new international bridge, including the Canadian plaza, will be a federal responsibility. Once the precise locations for the bridge and plaza have been determined, we will proceed swiftly with the necessary property acquisition. We will also create a new public entity that will own this key component of the new crossing. In concert with Michigan and its U.S. partners, we are exploring partnering with the private sector to design, build, finance and operate the bridge. The new public entity should help in realizing this public-private partnership.

Budget 2007 also delivers on the commitment to bring forward a Global Commerce Strategy by providing \$60 million over two years to ensure that our business can reap the benefits of expanding global opportunities.

At the forefront of this strategy are negotiations to improve market access for Canadian business through the expansion of our bilateral trade network. As indicated in Budget 2007, we are currently negotiating or exploring the prospects for free trade agreements with several countries including South Korea, Singapore, the Latin American countries of the Andean Community, the European countries of EFTA, and countries of the Caribbean and Central America.

Canada

Also in this strategy is funding to enhance assistance programs administered by the Department of Foreign Affairs and International Trade to Canadian importers and exporters. Building on the NAFTA advantage, we will reinforce our presence in the United States and implement new initiatives such as the direct engagement of private sector experts to ensure the success of Canadian business in the North American market. These measures will directly benefit Canadian traders to the United States and encourage a greater number of first-time traders.

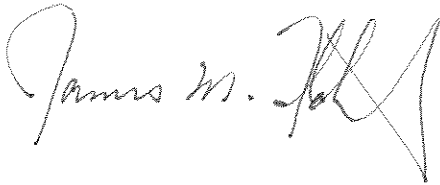
In addition, we are investing to enhance client services and programs to assist Canadian business in key growth centers in Asia. This will help Canadian firms diversify export destinations and make more strategic use of global value chains.

Finally, new regulatory amendments will be introduced to give Export Development Canada greater flexibility to make strategic equity investments in order to create opportunities for Canadian firms, especially small and medium-sized businesses, to expand the scope of their international activities.

I am confident that these Budget 2007 measures will benefit Canadian importers and exporters.

Thank you for communicating your concerns.

Sincerely,

A handwritten signature in cursive script, appearing to read "James M. Flaherty". The signature is written in dark ink and is positioned above the printed name.

James M. Flaherty