

THERE ARE MANY OTHER TRADE ACTIONS TAKEN BY THE U.S. WHICH IRRITATE US. I COULD MENTION POTASH, URANIUM, WHEAT SUSIDIES, AND OTHER U.S. SUPPORT PRACTICES. BUT WE ARE NOT WALKING AWAY. RATHER, WE ARE SEEKING THROUGH NEGOTIATIONS A BETTER FRAMEWORK FOR TRADE BETWEEN US.

THE U.S. ADMINISTRATION, FOR ITS PART, HAS INDICATED THAT IT SEES IMPORTANT BENEFITS FOR ITS COUNTRY. CANADA IS THE LARGEST MARKET FOR U.S. EXPORTS AND ONE OF THE FEW MARKETS WHERE U.S. EXPORTS ARE INCREASING. CANADA IS THE LARGEST RECIPIENT OF DIRECT U.S. INVESTMENT. MILLIONS OF CROSS-BORDER TRANSACTIONS LINK OUR TWO NATIONAL ECONOMIES.

THE UNITED STATES HAS ITS CONCERNS. WE WILL LISTEN TO THEM AND WE WILL ADDRESS THEM WHERE WE ARE ABLE TO DO SO. THAT IS THE PROCESS OF NEGOTIATION. ANY TRADE TREATY CLEARLY MUST BE BENEFICIAL TO BOTH PARTNERS.

SOME WHO OPPOSE THIS INITIATIVE SAY WE ARE UNDERMINING THE GATT BY ADVANCING OUR INTERESTS ON A BILATERAL BASIS. THAT IS SIMPLY WRONG. A BILATERAL ARRANGEMENT IS CONSISTENT WITH GATT RULES. MOREOVER, OUR BILATERAL TALKS WITH THE U.S. ARE NOT ONLY CONSISTENT WITH THE GATT, THEY COULD SERVE AS MULTILATERAL PROGRESS. WE ARE WELL AWARE THAT CANADA-U.S. AGREEMENTS IN SUCH AREAS AS PROCUREMENT AND SERVICES COULD BE MODELS FOR MULTILATERAL ACTION, AND WE ARE NEGOTIATING WITH THIS IN MIND.

SO THOSE ARE SOME OF THE REALITIES THAT HAVE PROMPTED US TO EMBARK ON A TWO-TRACK APPROACH. THEY MAKE A COMPELLING CASE FOR A TWO-TRACK POLICY. THE CRITICS HAVE THE RESPONSIBILITY TO ADDRESS THESE SAME REALITIES AND TO TELL CANADIANS HOW THEIR POLICIES MEET THE NEEDS OF CANADIANS TODAY. I SUSPECT THEY WILL NOT - BECAUSE THEIR POLICIES ARE NOT BASED ON FACT OR SUPPORTED BY PAST EXPERIENCE; AND THEIR POLICIES DO NOT MEET THE NEEDS OF CANADA, IN TODAY'S WORLD.

I RECOGNIZE THAT MUCH OF THIS CRITICISM HAS BEEN DIRECTED AT THE HEARTS OF CANADIANS - NOT THEIR HEADS. THEY HAVE WARNED OF THE TRAUMATIC ADJUSTMENTS THAT WILL FLOW FROM AN ARRANGEMENT; AND THEY HAVE WARNED THAT OUR CULTURAL SOVEREIGNTY IS AT STAKE.

SO LET ME TAKE A MINUTE TO ADDRESS THESE TWO FEARS.