

Good afternoon, ladies and gentlemen. It is a real pleasure for me to participate in this kind of open discussion of what is clearly one of the most significant economic initiatives ever undertaken by our two countries. I want to commend Representative LaFalce and Senator Evans for making this event possible.

The negotiations that led to the U.S.-Canada Trade Agreement were long and tough. The issues before us were complex and challenging. But those challenges have been met. The hard work and dedication of both negotiating teams have paid off. And so, what we have before us is an agreement that will further develop the world's largest trading relationship for the benefit of both our nations.

The stimulus that a trade agreement of this scale will provide to both our economies will be real and substantial. For Canada, it will mean access to the world's largest single market. For the United States, it will mean securing access to the eighth largest industrial economy in the world, with a market roughly the size of California's.

As you are aware, Canada is already America's best customer. Last year, Canadians bought over \$55 billion worth of U.S. goods and services. More than did Japan, West Germany, France or Great Britain.

Canada is also your fastest growing market. From 1980 to 1986, U.S. exports to Canada increased by almost \$15 billion -- or well over 40 per cent. During the same period, U.S. exports to the rest of the world declined by \$13.5 billion.

This is the kind of productive trade relationship that we can now develop and enhance further to our mutual benefit with the completion of the U.S.-Canada Trade Agreement.

As Prime Minister Mulroney and President Reagan made clear at the outset of the free trade initiative, this Agreement "will revitalize the unique Canada-U.S. economic relationship through the creation of greater predictability and confidence for Canadians and Americans alike".

Today I want to talk about the kind of positive impact this Agreement will have on our bilateral trade as well as to mention the major contribution it will make to international trade as a whole.