

Trade naturally tends to pass through tariff valleys. The restrictive effect of the existing tariffs will only be fully realized once all tariffs have been removed and all trade flows freely across the border.

Another area of keen interest to the Pacific Northwest is trade in agriculture products. It is a particular concern of mine that I have been spending much time on since becoming Canada's Trade Minister. We are experiencing a world-wide crisis in agricultural trade which we must make a concerted and co-ordinated effort to overcome.

Canadian tariffs are generally twice as high as U.S. tariffs. The agreement will phase them all out within 10 years. What will this mean to American manufacturers? Lower costs for many inputs they require. And an increase in the size of their market by 10 percent.

For businesses in this area many of which are limited to the Pacific Northwest regional market, the impact will be even more dramatic. Western Canada has a population base similar to that of the State of Washington and is an extension of your natural market. The agreement will provide more secure and enhanced access for your exporters.

For manufacturers on both sides of the border, it will mean an incentive to rationalize, modernize and become more competitive in the North American as well as the international marketplace.

On the issue of trade in energy, of particular concern to the Pacific Northwest, the agreement makes solid headway. Virtually all barriers to energy trade will be removed, providing a stable framework for investment in new energy developments that will strengthen the energy security of both our countries.

Consumers throughout the U.S. will be assured continued, secure access to Canadian energy resources. And a more competitive energy market will improve industrial competitiveness here in the U.S. as well as in Canada.

While there is a general consensus in the international community that something must be done, not enough has been done. As Dwight D. Eisenhower once said, "Farming looks mighty easy when your plow is a pencil and you're a thousand miles from the cornfield".