

The Canada-U.S. Free Trade Agreement fits squarely into those priorities. That Agreement is the most effective way to turn back the tide of protectionism and create an environment for trade and investment to grow between Canada and the country which inescapably is our main trading partner. That in itself will help open the way for trade liberalization in the rest of the world. It will not erect or freeze any barriers to trade with third countries, but provide incentives to bring barriers down everywhere.

There was a grave danger that traditional American trade policy could turn against the world, and seek to protect itself in a kind of fortress America. Instead this Agreement can help rally American support for trade liberalization generally in Congress and elsewhere, and demonstrate the concrete advantage of nations working together. It is fully consistent with the General Agreement on Tariffs and Trade and it reinforces respect for GATT provisions and disciplines -- something not always true of other bilateral arrangements. It has established benchmarks in areas such as government procurement and financial services which could spur progress in the Uruguay Round. It has committed both parties to work closely in the multilateral negotiations to find generally-applicable solutions in areas such as agriculture and subsidies/countervail which are crucial to the success of the MTNs.

It is not enough just to talk about these things. We need working models for the way the world can work together. That's one of the opportunities that this Agreement between Canada and the United States provides not only to us but to the other eighty some nations that are working with us in the multilateral trade negotiations.

The establishment of free trade between Canada and the U.S. is not the end of the road ... But as a step in turning back protectionism and building an effective new round of freer trade among all our major trade partners.