

We are not Korea. We are not Taiwan. We are America's best customer, neighbour and ally. We expect better treatment than we have been receiving. A healthy and strong Canadian economy contributes to America's national security.

And Canada is not a basket case. We have a strong and growing economy.

The Organization of Economic Co-operation and Development reports that we were number one in economic growth among the major industrial countries last year.

In percentage terms, we created more jobs in both 1986 and 1987 than any of the other 6 members of the group of 7.

Over the past 3 years we cut, again in percentage terms, more people off our unemployment roles than any of those countries - the United States, the United Kingdom, West Germany, Japan, France or Italy.

And we are America's largest and fastest growing export market.

In the first two quarters of this year, U.S. exports to Canada increased by \$3.5 billion (U.S.) over the same period last year. If this trend continues, last year's \$13.3 billion (U.S.) merchandise trade surplus in Canada's favour would be reduced below \$12 billion (U.S.). The difference will be almost entirely the result of an increase in U.S. exports.

And when you add in our trade in services, our current account is roughly in balance.

As far as the U.S. trade deficit is concerned, Canada is not part of the problem. Trade expansion with Canada is part of the solution.

So how do we get there: through a free trade agreement that is mutually beneficial to both countries.

What does Canada want?

That has been on the record for nearly two years -- from the very beginning of this initiative.

Our Prime Minister said then: "It is obvious that we must find special and direct means of securing and enhancing the annual \$180 billion of two-way trade with the United States."