

I want to pay tribute to, of course, the Canadian team for having achieved a deal which is a true landmark in Canadian history. I also want to - very deliberately and carefully - salute the continued commitment of the administration of the United States, against the worst possible odds, to a freer trading system, not only between our two countries, but in the whole world as well. President Reagan has personally encouraged the pursuit of a trade agreement between Canada and the United States. To those who criticized the Prime Minister of Canada for saying we would sometimes give the benefit of the doubt to the United States, they can now see the strength of that approach today in what we have achieved in a distinctly unpromising situation. That was due, this accomplishment is due, in no small part, to the unique relationship that exists between Ronald Reagan and Brian Mulroney.

Canada depends on trade for economic prosperity. We need that more than almost any other industrial country in the world. We cannot run away from international circumstances. We have to secure and enhance our access to outside markets. We don't have any choice in that matter and it's a choice that most Canadians willingly accept. We have been negotiating freer trade on two fronts: with the United States to ensure unhindered access for 80% of our exports and internationally. About a year ago this month I was down in Uruguay leading the Canadian delegation that launched the Uruguay round of multilateral trade negotiation in the GATT. We have achieved a major breakthrough in Canada-U.S. trade and now we are going to carry that momentum onto the world scene, into the multilateral trade negotiations.

This is a critical dimension of the deal between Canada and the United States. This agreement is going to enhance our access to the largest and most dynamic market in the world. It is going to bring us improved productivity, competitiveness, prosperity. But it will also establish a pattern for multilateral trade negotiations. It will show the world that real free trade is still do-able in the 1980's. It shows that there is an American concept and agenda for trade liberalization despite the extraordinarily powerful forces of protectionism that are at work in the U.S., and it also indicates that new areas of economic exchange like services can be effectively addressed.

The highlights of the agreement are the following:

- . A phase-out of all tariffs between the two countries by the end of 10 years.
- . The creation of a unique dispute settlement mechanism with binding powers; one that guarantees predictable and impartial rules of the trade relationship - I'll come back to that one in a moment.