

If this negotiation fails, let it fail on its own merits. If it is to succeed, as it certainly can, all of us who know the merits of expanded trade must enter fully in debate.

The immediate challenge is to the two governments and our negotiators. We have three months to finish negotiation of a draft agreement. Some of the parameters are clear. Neither government will sign an agreement which imperils our national interests. Both insist on consistency with the GATT, and an agreement will bring tangible benefit to both sides. The negotiators have identified several areas where real progress is possible. But major problems remain. The United States is interested in rules regarding investment and that has always been contentious in Canada. For Canada's part, there is no point to a trade agreement which leaves us subject to the unilateral or capricious application of US law or regulation. We do not seek exemption from fair trade rules. Rather, we seek to submit the trade between our two countries to jointly-agreed rules backed up by a binding mechanism to settle disputes.

These are not easy issues, nor are they the only problems in the negotiations. But resolving problems is what negotiation is about, and the most important negotiations are those which confront the toughest problems. That is the case in the arms control negotiations President Reagan is pursuing with the Soviet Union. It was the case in the historic Constitutional Accord Prime Minister Mulroney negotiated with our provincial premiers a month ago. It is the case in trade.

Awards, by their very nature, are an encouragement of the pursuit of objectives upon which the giver places high value. Your support of the Freedom Award is, for that reason, very important to me. Whatever efforts Secretary Schultz and I make in pursuit of an enhanced relationship, they would be in vain if they did not find favour and your active support. I hope we can both count on that continuing support as we work this year to advance the efforts I have addressed here today.