

According to the OECD, implementation of former GATT Director-General Arthur Dunkel's proposals would add \$200 billion to \$300 billion to the world's economy by the end of this decade. A successful conclusion to the GATT Round would send a message of confidence, communicating our strength of purpose to bring the benefits of freer trade to all the world's peoples. But if you look at the other side of the coin, failure would, at a minimum, leave the world trading system deadlocked over some vital issues. At worst, it would foster a new stream of protectionism and reverse the global momentum toward economic liberalization.

Coming back to this continent, it was Canada that made the first move in getting the negotiations started that led eventually to the Free Trade Agreement with the United States.

We did so for two main reasons. We were acutely conscious that we were the only major industrialized power without secure access to a market of at least 100 million people.

We were also highly aware of the unique importance of the Canada/U.S. trade relationship. Understandably, I suppose, the significance of that connection — and in particular, its asymmetry — is more widely understood in Canada than it is here.

Ask any Canadian to name our largest trading partner, and they'll get it right the first time. But how many Americans realize that their largest trading partner does not live across the Pacific or the Atlantic, but on the other shore of the Great Lakes. Or that their second largest partner is not Japan or Germany, but one Canadian province: Ontario.

We wanted to make Canada/U.S. trade a smoother and more predictable relationship, less subject to disruption by disputes, confrontation and protectionism. That was in our interest — it was in the interest of the United States.

And, at the end of the day, that is why the two partners were able to agree — because Free Trade was a win-win proposition, north and south.

There were many Canadians who did not see it that way. But confidence prevailed, and a general election was fought and won on that issue in 1988.

The Agreement came into force during an economic slowdown. Some wrenching adjustments have occurred, as Canadian industries restructured to become more competitive during a global recession. But now, four years into the Agreement, it is justifying the confidence of its architects.