One of the accomplishments of this agreement, one of the reasons it is good for Canada, is that there has been a turning in the tide of protectionism in the world.

A second reason is whether we like it or not, we now live in a world with an interdependent, global economy. And no two economies are more interdependent than Canada and the U.S. This agreement doesn't create that reality. That has been the reality for years and indeed former governments have tried to change it.

I remember Mr. Diefenbaker, in 1957-58, campaigned sincerely for office on a promise to try to divert 25 percent of our trade from the U.S. to the United Kingdom. He couldn't do it because it couldn't be done.

I remember in the mid-60's, Mr. Trudeau with the so-called third option, tried again to divert substantial amounts of Canadian trade from the U.S. to Europe. He couldn't do it because it couldn't be done.

Indeed, instead of having a reduction in our trade relations with the United States as a result of those two initiatives, after both of them our trade relationship with the U.S. increased because there are certain inescapable facts of geography and of economic interplay.

So we are interdependent. The agreement doesn't create that reality. What it does instead is recognize that the interdependence that already exists requires cooperation - not confrontation - if we are both to avoid self-inflicted wounds.

Third, as the smaller (in terms of population) partner in the Canada/U.S. relationship, we know we will usually lose in any dispute that is based simply on power politics. It is therefore in our interest as a country to ensure that disputes between our nations are resolved on the basis of facts (not politics) and in accordance with the rule of law. This agreement not only restores the rule of law; we will be devising - after five or seven years - better rules and laws to govern cross-border commerce in the future.

Now I noticed in the press today that there was a suggestion by a lawyer retained by the Government of Ontario that the dispute resolution mechanism in place in this agreement, in fact, is no step forward. Let me tell you just briefly about that agreement and why it is a step forward.