

happily. We did not see what justification there was for any restriction on our fairly traded wheat. We finally accepted the agreement because it was clear the United States would otherwise take more drastic action against our wheat exports, in response to the local demands of some U.S. wheat producers and their Congressmen.

Actions such as those fuelled frequently by local discontents disrupt trade and investment decisions, hurt consumers and corrode our bilateral relationship.

These continuing actions risk undermining the essential value of the agreement. In endorsing the NAFTA, the Canadian Parliament argued that the expanded economic area would give companies improved access to an open North American market of 370 million people. Tariffs and non-tariff barriers would no longer distort or stunt economic development. Producers would be more able to realize their full potential by operating in an integrated North American economy. As a result of heightened competition, consumers would benefit from better products and better prices.

To a considerable degree, those goals are being realized. The fact that trade among NAFTA partners has increased by over 10 per cent during the first six months of the Agreement, compared to the same period last year, testifies to its success.

But how can you reconcile our trilateral goal of freer trade with actions such as in the wheat and lumber cases? It points precisely to the unfinished business of the NAFTA and indeed of the FTA before it — I speak of the reform of countervail and anti-dumping laws.

Canada entered into our bilateral Free Trade Agreement and then the NAFTA precisely because we want and need a stable trading environment. We were willing to meet the heightened competition that free trade brings; we endured sometimes painful adjustment; and we restructured so that we could compete in an integrated North American economy, the prerequisite to yet greater global competition.

Having made those commitments, sacrifices, and improvements in our competitiveness, we want the free trade agreement to work.

It will not work if industries in all three countries continue to try to block exports through countervail or anti-dumping actions.

Because this issue is so important to us, we insisted, as a condition of our participation in the NAFTA, that trilateral working groups develop ways in which we can reform trade remedy laws by January 1, 1996.