

MERCHANDISE TRADE SURPLUS WITH THE UNITED STATES, THE US ENJOYS A SURPLUS ON THE SERVICES SIDE. THE RESULT IS A FAR MORE BALANCED TRADE RELATIONSHIP THAN MOST AMERICANS REALIZE. CANADIANS ARE FAIR TRADERS AND OUR RELATIONSHIP IS JUSTLY SEEN AS THE ENVY OF THE WORLD.

OF LATE HOWEVER, THE INDISCRIMINATE AND UNFAIR USE OF YOUR TRADE REMEDY LAWS HAS THREATENED THE BALANCE OF THIS RELATIONSHIP. WE APPRECIATE AMERICA'S NEED TO BECOME COMPETITIVE. CANADIANS , TOO, ARE SEARCHING FOR NEW WAYS TO BECOME COMPETITIVE.

BUT THE ROAD TO COMPETITIVENESS IS NOT THROUGH PROTECTIONISM. PROTECTIONISM ONLY MAKES A BAD SITUATION WORSE. THE ROAD TO PROSPERITY LIES IN COOPERATIVE TRADE NEGOTIATION LIKE THE ONE OUR TWO NATIONS ARE PURSUING.

FOR THE PAST FIFTY YEARS, SUCCESSIVE CANADIAN AND AMERICAN GOVERNMENTS HAVE PURSUED TRADE POLICIES WHICH REFLECTED THE REALITIES OF THE DAY:

AMERICANS UNDERSTOOD, AS DO CANADIANS, THAT TRADE IS THE BASIS OF PROSPERITY. TRADE CREATES WEALTH, THE KIND OF WEALTH WHICH PAYS FOR MEDICARE, EDUCATION, REGIONAL DEVELOPMENT, NATIONAL DEFENCE -- THE INSTITUTIONS AND VALUES THAT DEFINE A NATION'S WAY OF LIFE.

CANADA'S SMALL POPULATION COMPELS US TO LOOK OUTWARD. UNLIKE NATIONS WITH A LARGE DOMESTIC MARKET, OUR INDUSTRIES REQUIRE OPEN AND SECURE ACCESS TO FOREIGN MARKETS TO ACHIEVE COMPETITIVE SCALE AND VOLUME.

PART OF THE CANADIAN STRATEGY LIES IN THE GATT. LIKE YOU, WE ARE DETERMINED TO PLAY A