

The announcement on February 5 that our three countries would negotiate a North American free-trade agreement was an historic one. It set in train a process that will reward and enrich our three countries and make us the envy of the world. Unfortunately, it will not necessarily make any of us popular with our electorates. That great British historian and man of letters, Lord Macaulay, could not have put it more aptly when he wrote:

Free trade, one of the greatest blessings which a government can confer on a people, is in almost every country unpopular.

I know whereof Macaulay spoke.

The government of Canada negotiated a free trade agreement (FTA) with the United States in 1987. Not a perfect agreement, but a good agreement, one that is working to the mutual benefit of both Canada and the United States. This agreement is not as popular as it should be or as it will become once its benefits become clear to Canadians. For the time being, it has become a lightning rod for every ill.

If you would believe our critics, every person who lost a job in the past three years lost it because of the FTA; every factory that closed in the past three years, closed because of the FTA; every sparrow that fell in the past three years, was knocked off its perch by the FTA.

You may well ask, therefore, why we decided that we want to build on the FTA by joining the United States and Mexico in negotiating a North American Free Trade Agreement or NAFTA. Why should the Government of Canada want to complicate its already difficult situation by negotiating even more free trade? Can a Canadian government reeling from the criticism generated by the FTA, conclude and sell an NAFTA?

These are good questions to which, fortunately, there are even better answers.

The best answer is a simple one. A North American Free Trade Agreement makes sense because it is good public policy -- good economic policy, good trade policy and good foreign policy. It is good public policy for Canada, for the United States and for Mexico.

We can not assume that this agreement, however sensible, will be universally welcome. We in government and you in business have our work cut out for us. We will have to be very persuasive to overcome the damage that will be done by the modern-day Luddites, by those who want to stop the world and get off.