

these side agreements. Otherwise, we will be allowing a pall of protectionism to overshadow the benefits of this accord.

The threat that protectionists in all three countries could hijack the process and harass their competitors with trumped-up charges would inject uncertainty into the NAFTA trade area, eroding the very confidence and predictability that the NAFTA was designed to create.

It is simply not in anyone's best interest to consent to a system where trade sanctions are used to enforce the agreements. We are confident that a more positive and co-operative approach is preferable and will best serve our objective -- to encourage each party to improve and enforce its domestic labour and environment standards.

All three countries agreed that the NAFTA would be implemented on January 1 next year. While there are many areas of agreement among the NAFTA partners, there are also serious differences. We are confident, nonetheless, that outstanding differences respecting these side agreements can be resolved in the coming weeks.

In many respects, you are experiencing for the first time -- with your internal debate over the NAFTA -- the debate that engaged Canadians several years ago when we negotiated the FTA. In Canada, the critics predicted nothing short of economic calamity, replete with downward pressure on Canadian wage and benefits packages, the demise of Canadian culture, the loss of sovereignty over water resources, the unavoidable lowering of our environmental standards, the destruction of our social services, including Canadian medicare, and the elimination of entire sectors of Canadian industry.

Four years later, Canada's merchandise exports to the United States are up 19 per cent, and U.S. merchandise exports to Canada are up 18 per cent. As I said earlier, it's a win-win situation for both countries. Our social services remain intact. Your government is studying our medicare system. Canadian culture is alive and well. Environmental standards have improved. And I have not seen one American claim FTA rights to import a Canadian lake or river.

The lesson is obvious. NAFTA opponents, like the FTA critics before them, argue from a false premise: they think removing walls that protect and segregate markets will force unacceptable harm upon workers, whereas by leaving walls up, harm will be minimized. They are wrong.

The reality is that unavoidable competition is already hard upon us in North America. The NAFTA merely imposes a framework of