

NAFTA [North American Free Trade Agreement] or agreements concluded multilaterally through the WTO.

In particular, and following my recent meetings with Argentine and Brazilian officials, I strongly believe that the NAFTA accession clause should be used as a tool for trade liberalization in the Western Hemisphere. I am concerned that, after urging a vision of free trade from Alaska to Tierra del Fuego, Washington appears to be losing its momentum. Continuing ambivalence could foster the development of a patchwork of agreements that would confound greater trade and investment.

Canada and Mexico are ready to negotiate the accession of additional members to the NAFTA — with Chile being the most likely first candidate. But in the United States, of course, fast track authority is essential for NAFTA accession. Without this authority, it is highly unlikely that any trading partner of the United States will want to negotiate an agreement that Congress will be free to change unilaterally.

Some of the concerns that Canada and the international community have regarding the Uruguay Round implementing legislation in the United States are reflected in problems that we have within the NAFTA itself.

As we saw with both the lumber and the wheat disputes, there appears to be a growing tendency for special interest groups to take over the Congressional agenda, then push for and get action that violates both the spirit and the letter of international trade law.

Ultimately, these actions hurt not only your trading partners, but the U.S. public as a whole.

Consider the lumber dispute. After eight years of rancorous debate, in which sectoral interests exhausted every conceivable avenue of appeal, the countervailing duty has finally been removed by Washington. But while it was in effect, thousands of Americans were forced to pay more for their new homes because of the duty. And inflation in the United States was higher than it otherwise would have been.

As I said, this case was resolved recently, through the final ruling of an Extraordinary Challenge Committee established under the Canada-U.S. Free Trade Agreement [FTA]. But within hours of the ruling, certain lumber interests were pushing the Administration to withhold payment on the unfairly collected duties, and once again threatening a whole new round of harassment.

Like the lumber case, we have managed to contain — at least for the current year — the wheat dispute. In the face of a threat of unilateral U.S. action, Canada consented to the agreement, but not