

The agreement is good for Canada because it strikes a delicate balance between our export interest and our import sensitivities.

For example, the agreement on agriculture provides for an important package of trade liberalizing measures and ensures that agricultural products will benefit from the increased security of access flowing from the arrangements on dispute settlement. At the same time, nothing in the agreement will in any way affect the right of the federal government and the provinces to introduce and maintain programs to protect and stabilize farm incomes.

As another example, the agreement on energy will secure Canada's access to the United States market for energy goods. The two countries have recognized that they have a common interest in ensuring access to each other's market and enhancing their mutual security of supply. They have, therefore, built on their existing GATT rights and obligations and agreed that, as each other's best customers, they should get fair treatment should there be any controls on energy trade. At the same time, both remain free to determine whether and when to allow exports and may continue to monitor and licence exports.

The agreement is also good for Canada because it allows for measures to ease the adjustment to a freer trading environment.

First of all, based on extensive consultations with the private sector, tariffs will be eliminated over a period of ten years. Secondly, during this transition period, there will be scope to impose restrictions on imports to deal with surges causing serious injury to domestic producers. Finally, the government has maintained scope to provide adjustment assistance where necessary, focussing on labour adjustment and building on our current extensive programs of assistance to labour and firms.

In a fundamental way, the proposed trade agreement is key to the government's objective of creating an attractive climate for investment and jobs in Canada. By responding to the twin challenges of global competition and U.S. protectionism, the agreement sends out a powerful signal to all investors: that combined with our educated and skilled labour force, as well as our natural resources and technical know-how, Canada is second to none as an investment location.