

It gives me great pleasure to be here in Detroit to address you today on our progress in reaching what President Reagan has termed "an historic free trade agreement between the world's two largest trading partners."

Since last summer, Canadian and American negotiating teams have been engaged in this major joint effort to "secure, enhance and enshrine" the unique nature of our extensive bilateral trade partnership. It is the job of these two teams to translate the political commitment of the President of the United States and the Prime Minister of Canada into a mutually acceptable agreement. These negotiations have been making steady progress and are on course.

Canada and the United States are each other's largest trading partners by far. The United States exports twice as much to Canada as it does to Japan, your next biggest customer. (The province of Ontario alone imports more U.S. goods than Japan). Over 70 per cent of all that Canada buys abroad comes from the United States.

The market on both sides of the border is of vital importance in terms of jobs. According to U.S. figures, about 2 million American jobs depend on exports to Canada. About the same number in Canada are dependent on our exports to the U.S., but their importance as a proportion of the labour force is much greater.

I am sure that everyone here today appreciates the fact that Canada enjoys a considerable volume of trade with Michigan. Last year, you sold \$11.4 billion (Cdn) worth of products to Canadians. In return, Michigan purchased \$24.3 billion (Cdn) worth of products from Canada. In fact, Canadian trade with Michigan is second only to Canada's trade with the entire U.S.

The Detroit/Windsor border point is undoubtedly a very busy one. I would like to applaud these two cities for their annual freedom festival to be held in the coming weeks. This event is an excellent example of days of peace and friendship, a celebration of the warm relations between our two countries.

Canada has never done as much business with the United States as it does today. But the trade environment is changing, and we must take action to retain and expand our access to your market.