

welcomed the initiative and officials on both sides of the border tackled the challenge of identifying the right sectors. A year later, the two governments concluded that, while the goal was right, the chosen method was not. Finding the right sectoral fit was proving too difficult. Other means had to be found.

March 17-18, 1985, in Quebec City marked the first bilateral summit between Prime Minister Mulroney and President Reagan and the beginning of a co-operative effort to conclude a new trade agreement. The Prime Minister and the President agreed that they "would give the highest priority to finding mutually acceptable means to reduce and eliminate existing barriers to trade in order to secure and facilitate trade and investment flows". They charged their trade ministers to explore all possible ways to reduce and eliminate existing barriers to trade.

Six months later, the two leaders exchanged letters pledging their two governments to an effort to negotiate "a new trade agreement involving the broadest possible package of mutually beneficial reductions in barriers to trade in goods and services." That effort culminated in the historic accord signed on October 4, 1987. U.S. Treasury Secretary James Baker, Trade Representative Clayton Yeutter and Deputy Treasury Secretary Peter McPherson, working closely with Ambassador Peter Murphy on the American side, and Finance Minister Michael Wilson, International Trade Minister Pat Carney, the Prime Minister's Chief of Staff, Derek Burney, and Trade Ambassador Simon Reisman for Canada, agreed on the elements of a new bilateral trade Agreement.

During the next seven weeks the negotiators, supported by their teams of lawyers worked to put the final touches to the Agreement which was tabled in the House of Commons on December 11 .