

The other very significant accomplishment of the deal in this area is that it will prohibit export subsidies in our bilateral trade in agriculture. This marks the first time that any governments have agreed to prohibitions on export subsidies in the agricultural sector.

I would like to give you one last example of how both sides will gain from this Agreement -- and this is in the area of automotive trade. Under the Agreement, the Auto Pact remains in place. The two key points here are as follows:

- ° first, the Agreement limits the provisions of the Auto Pact to current participants; and
- ° second, the Agreement sets out a new 50 per cent North American rule of origin.

These will encourage foreign producers to increase their purchases of Canadian and American auto parts and materials. This will lead to increased employment in the industry on both sides of the border. It will also enable the North American automotive industry to remain competitive in the face of ever-increasing competition from third country producers.

Canadians believe that it is time to build bridges, not barriers, to the economic growth and prosperity that comes with increased trade. The U.S.-Canada Trade Agreement is just such a bridge. This Agreement provides us with a forward-looking bilateral trade arrangement that will lead us into the 21st century on a new path of innovation and prosperity.

Certainly, this initiative has very far-reaching and positive implications for both of us. At the same time, as I mentioned earlier, this Agreement makes three important contributions to international trade.

First, it represents a sizeable expansion of trade between the world's two largest trading partners. The Agreement is simply unprecedented in terms of volume of trade affected as well as the scope of commercial relations covered.

Second, the U.S.-Canada Trade Agreement sets our trading relationship on a more secure and productive path, taking us from a patchwork of ad hoc arrangements to a comprehensive set of bilateral trade rules, based on equality and friendship.