

Canadian tariffs are generally higher than American tariffs. The Agreement will phase them all out over 10 years. What will this mean to American manufacturers? Lower costs for many inputs they require. And an increase in the size of their market by 10 percent.

For Canadian producers, it will mean increased domestic processing and manufacturing. For manufacturers on both sides of the border, it will mean an incentive to rationalize, modernize and become more competitive in the North American as well as the international marketplace.

On the issue of trade in energy, the Agreement creates a win/win situation as well. Virtually all barriers to energy trade will be removed, providing a stable framework for further development of our energy relationship that will strengthen the energy security of both our countries.

For Canada's energy-producing provinces, it will provide more secure access to the U.S. For Americans, it will mean continued, secure access to Canadian energy resources. Lower energy costs will enable both countries' industries to compete more effectively with producers in Europe and the Far East.

What about agriculture? No one would deny that we are experiencing a world-wide crisis in agricultural trade which only a concerted and co-ordinated effort will overcome. While there is a general consensus in the international community that something must be done, more has been said than done.

As Dwight D. Eisenhower once said, "Farming looks mighty easy when your plow is a pencil and you're a 1000 miles from the cornfield".

On this issue, the U.S. and Canada have made headway. Our Trade Agreement makes progress in this area -- progress we hope will set the pace for further progress in the multilateral talks under the General Agreement on Tariffs and Trade (GATT) under way in Geneva.

The Agreement sets out a package of trade-liberalizing measures, many of them product-specific. For example, we will exempt each other from restrictions under our respective meat import laws, ensuring free trade in beef and veal.