

I would urge the United States and Mexico to maintain the momentum for free trade and to support quick passage of the NAFTA legislation in their countries.

For the next few minutes I would like to address my comments specifically to the Americans in attendance today. Some of you may be worried that many of the benefits of the NAFTA will flow south from the United States into Mexico. Believe me, that argument is nothing new to Canadians. Several years ago, when we negotiated the FTA, there were many Canadians who predicted that all the growth in trade and jobs would flow from Canada into the United States and that Canada was finished as a country. Well, they were wrong.

Canada's merchandise exports to the United States since 1988 are up 19 percent. The Canadian merchandise-trade surplus with the United States rose 27.3 percent last year over the previous year, reaching \$17.7 billion in 1992. Canada's social and medical services remain intact. Canadian culture is alive and well. We have an effective mechanism to settle the trade disputes that are bound to arise from time to time in the world's largest two-way trading relationship, a relationship worth \$287 billion in 1992. But if the FTA has worked for Canada, it has not been at the expense of the United States. U.S. merchandise exports to Canada are up 18 percent since 1988, and the United States continues to enjoy a current account surplus with Canada.

Simply put, free trade expands trade. The FTA has been a win-win situation for both countries.

The NAFTA opponents, like the FTA critics before them, argue from a false premise: they think that removing walls that protect and segregate markets will harm workers, while leaving walls up will safeguard workers. The new reality is that competition is unavoidable in North America. The NAFTA creates a framework of fair rules for competition. It promises a more gradual adjustment and greater stability than we would have otherwise.

I can assure you that the Government of Canada is, more than ever, convinced that the decision we made to enter into the FTA in 1989 was the right one. We believe that the NAFTA will build on the success of the FTA as well as widen its scope to include Mexico's fast growing economy.

Although the NAFTA is already the "greenest" trade agreement ever negotiated, we have before us the prospect of concluding side agreements that would result in unprecedented co-operation in environment and labour issues in North America.