

Ladies and Gentlemen:

I am very pleased to be here today to participate in this Conference; and to salute the opening of the Centre for Trade Policy and Law.

I noted that the theme of today's Conference is "Living with Free Trade". Of course, as I look around the room and see so many distinguished members of the trade community, I would suggest it should be called "Making a Living with Free Trade" -- and a good one at that!

As people expert in the area of international trade, you know as well or better than I do, that there is no such thing as pure free trade. Trade is merely less free or more free.

You know that the term free trade area is not a statement of fact, but a legal concept rooted in Article XXIV of the GATT -- a concept which allows preferential access when substantially all trade is flowing barrier free.

The Canada-U.S. FTA is not a blind leap of faith. It is a reflection of the existing level of economic integration between the 2 countries -- integration caused by seven previous rounds of GATT negotiations and the Auto-Pact. In short, our agreement in 1988 was only possible because of the distance we had already travelled since 1948 -- a journey which most Canadians had actually enjoyed.

You know that much of this agreement reflects Canadian objectives in the last round of GATT -- the Tokyo Round -- objectives such as lowering the tariffs on value-added products which we failed to achieve in the 1970's.

You know that the resource trade terms concerning short supply and pricing are not only consistent with our previous GATT and International Energy Agency commitments -- they also reflect the negotiating position of the Trudeau government in the 1970's -- a position which was rejected at that time by the U.S., the European Community and Japan.

You know the basic strategic reasons why we pursued this agreement, despite its obvious political risk -- the need for our value-added manufacturers and service industries to have access to a world-scale market, to ensure their future competitiveness.

You know that no agreement will ever totally eliminate cross-border disputes. Canada and the U.S. will always have differences. The key is how we manage and settle these inevitable disputes.