

Will Canadian social programs suffer? They will not. Medicare is secure. Pensions are secure. Our ability to bring in new social programs is absolute and unrestrained. Social programs are not even mentioned in the Trade Agreement. But the Preamble does refer to preserving the "parties flexibility to safeguard the public welfare", and that is exactly what we intend to do. Does anyone seriously believe that a stronger, more prosperous country would be inhibited by this Agreement from taking proper care of its old, its frail, or its unemployed? The suggestion is groundless and unworthy. In fact, a stronger economy lets us afford new social programs. A weak economy won't.

The Canadian health and hospital system gives Canadians more complete care, and at lower aggregate cost, than that enjoyed by Americans, and it is not affected by the Agreement. Indeed our lower health costs, as compared to the United States, represent a comparative advantage under Free Trade. Canadian governments are free, under the Agreement, to administer health as they see fit. The Agreement does provide, however, for free trade to extend to ancillary management and laboratory services - a field where Canada is strong.

Will Canada be forced to adopt U.S. standards as a result of this Agreement? No, we will not. The Agreement reaffirms the obligations of both countries under the Agreement on Technical Barriers to Trade concluded during the Tokyo Round, not to use technical barriers as disguised barriers to trade. To help give effect to these existing obligations the Agreement makes provision for compatibility of testing, accreditation of testing facilities, acceptance of test data, and advance notice of forthcoming standards. Compatibility of standards-related measures is to be pursued "to the greatest extent possible", and additional negotiations will be undertaken towards greater compatibility, accreditation and acceptance of test data.

The thrust of these provisions is to make standard-setting on both sides of the border more transparent, and accessible to exporters. Canadian standards which reflect our needs and circumstances, and our sovereign choice of systems, such as using Celsius thermometers or bilingual labelling, will not be affected by the Agreement. The Agreement should help ensure, however, that new standards are set with a view to their avowed objectives rather than to any market-restrictive effects. It should also help ensure that exporters in both countries are able to have their goods certified and accepted in the markets of the other without unnecessary impediments.