

I started this week in London in meetings not very far from the buildings where, ... years ago, a group was formed calling itself the Company of Adventurers Trading into Hudson's Bay. They became one of the two organizations whose competition opened up this country -- started the movement west. And what were those Europeans competing about? -- the right to sell Canadian fur in European markets. And what has become one of the most fierce campaigns of recent years -- the campaign to stop the sale of Canadian fur in European markets. Similar ironies are everywhere.

Canadian immigration policy deliberately drew settlers from Europe to make the most of one of the world's natural bread baskets, the Canadian prairies. Our ranching industry grew because of the natural advantages of the foothills, and the Cypress Hills, and other regions ideal for cattle production. For the first half of our life as a nation, we prepared to make the most of the natural agricultural advantages of Canada. Now we are locked in vital combat with nations -- often friendly nations -- who grew strongly respecting natural advantage, but now replace the marketplace with a maze of controls and subsidies.

The dilemma for a country of only 25 million residents is that, even if our principles were flexible enough to declare natural advantage irrelevant, we can't afford to do that. We might have better farmers than Europe and the United States, but they have bigger treasuries. At the Economic Summit in Tokyo, the Prime Minister read the figures to the leaders of Japan, Britain, Germany, United States, and other proponents of the market economy. On average, a grain producer in Europe receives 94 U.S. dollars government support per tonne; in the United States 75; and in Canada 34. Those figures can't take account of all the cost of the new U.S. Bill, because those costs are literally incalculable.

It is clear that Canada can't match the U.S. and European subsidies. What is also clear is that our best friends -- when we argue our vital interest against their vital interest -- prefer themselves to us, even when that involves truck and trade with regimes they customarily condemn.

I must also mention Japan, because that country, like Europe and the U.S., has shifted some of its share of agricultural problems offshore. What is different about the Japanese is that they use import controls to impede trade and contribute to the problems we all face.