

tions will get underway in late spring or early summer, and that they will last a year and a half or two years.

At the same time, I must stress that we have no intention of putting all our eggs in one market basket. Our trade interests are global, not simply "continental". Any agreement we conclude with the U.S. must also meet our obligations to our other trading partners and to the GATT. It would not make sense for either of us to sign an agreement that would in any way discourage our trade with the rest of the world.

Indeed, we are moving forcefully on the multilateral front, as well.

This will be a watershed year for the world's trading nations. After more than a year of hemming and hawing, a majority of the ninety or so nations that participate in the General Agreement on Tariffs and Trade have agreed to begin the next round of Multilateral Trade Negotiations sometime after this summer. This will be the eighth GATT round, and its objective will be to reverse the movement towards protectionism that is building in the world, to lower more trade barriers, to tighten some of the loopholes and modernize the GATT system. I'm happy to report that, at an officials' meeting last week in Geneva, some progress was made toward agreeing on an agenda.

Canada is deeply committed to the rejuvenation and expansion of the multilateral trading system. We have been one of the principal proponents of the next GATT round. And to underscore the importance we attach to it, we have indicated our willingness -- indeed, our desire -- to act as host for the Ministerial Conference which will begin the negotiating process. We have suggested the ceremonies be held in Montreal in September.

Through its first seven rounds of multilateral trade negotiations, the GATT has generally worked well. It has succeeded in cutting tariff levels roughly in half. It has established the framework for an orderly trading system and reduced the trade frictions that exist between nations. Largely because of its efforts, the volume of world trade has grown sevenfold since 1950. That has enriched the lives of us all.

But progress under the GATT tends to be ponderous. Negotiations for the eighth GATT round will probably take several years. They will not be easy, for they must take into consideration the needs and aspirations of a great many nations, not all of which are agreed on what they should cover.

It may be useful, therefore, to consider the bilateral trade negotiations between Canada and the U.S. in the context of GATT.

There is some historical precedent for doing so. Five decades ago, the world was in the midst of the Great Depression, and trade wars had broken out to make things worse. Canada and the U.S. were the first to react to the rampant protectionism of the times. In 1935, we signed a bilateral agreement to bring the barriers down, and its principles eventually became the foundation for the GATT.

Today, if Canada and the United States could lead the way again, if we could show the rest of the world that trade liberalization is to everyone's advantage, the next GATT round might well get further faster. I believe there is some precedent for this expectation in the formation of the European Economic Community. It tended to focus the attention of nations outside the Common Market on the advisability of liberalizing trade.