specifically between Canada and the United States -- without affecting trade measures applied by either country to other trading partners.

A treaty based on this approach would be consistent with GATT so long as it encompassed the bulk of bilateral trade and provided for the elimination of tariffs and significant non-tariff barriers.

Since a large proportion of our two-way trade is already tariff free, it is important not to exaggerate the impact of such a step. Nonetheless, it would raise some serious questions, including:

-- the relative competitive strength of our industries;
-- the special measures of adjustment and transition which might be needed;
-- and the anxieties of those concerned with Canadian identity in any proposal for a closer relationship with the United States.

These and other important issues would need to be examined closely before we went ahead, and it is my hope that you, the members of the IPI, will take part in the study. I invite you to spend some time thinking about the alternatives, and their implications, and let us know your thoughts.

It is my belief, and that of my government, that Canada's trade interests can be effectively identified and pursued only through the closest consultations and cooperation between governments, both federal and provincial, and the private sector.

Soon after taking over my responsibilities as Minister for International Trade, I was called upon to present Canada's annual export awards. There were 14 awards in all -- and six of them, by the way, went to Ontario companies. They were honoured because they set a standard of skill and excellence that allowed them to compete with great success in world markets. These 14 companies, in other words, are doing exactly what we must all do as a nation to maintain our prosperity. They set themselves tough goals, and achieved them. They put their products up against the best in the world, and bettered them. They proved that Canada can compete with anybody.

The importance of trade to our economy cannot be