

1950. That has enriched the lives of us all.

But progress under the GATT tends to be ponderous. Negotiations for the eighth round will probably take many 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 is in this context that I believe that the bilateral trade negotiations between Canada and the U.S. could actually improve the prospects for the next GATT round.

There is good historical precedent for this belief. 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.

Something like that might well happen again. 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 round might well get further faster.

With this in mind, let's focus our attention for awhile on Canada's relations with Latin America and the Caribbean.

First, let me congratulate both CALA and the Brazil-Canada Chamber on the initiatives you have undertaken during the past year. These indeed complement what we are doing and serve as an excellent example of the benefits to be reaped from consultation and cooperation.

We are all aware of the economic crises -- not to mention the natural disasters and political problems that have plagued South and Central America and the Caribbean over the last two years. In fact, if we didn't look behind some of the published reports during that period, we could have concluded that the only thing left to be done was turn out the lights. Well, we didn't do that. And we won't.

In the case of the Caribbean, we took steps to stimulate growth by increasing our aid flows and creating better access to the Canadian market from the region. In October of last year the Prime Minister advised Caribbean Heads of Government that we would be ready to introduce additional duty-free arrangements in 1986. He announced as well that we would take further steps to facilitate sales to Canada, steps such as market development training, marketing seminars and directories. These programs go well beyond simple moralistic posturing. We believe that by strengthening the economies of those countries, we will create new market opportunities for our own exporters as well. You can't sell very much to a customer with no money.

Canada's relationship with Central America has been strengthened during a very difficult period in that region. In June of last year, my colleague, Madame Vézina, visited Costa Rica, Nicaragua and El Salvador to review our aid, trade and other policies in the region. Canada has been a supporter of, indeed a participant in, the Cantadora effort to bolster the political stability of these troubled countries. This is essentially a political initiative, but out of it should come a better atmosphere in which to do business.

I believe Mr. Richardson has already reported to you on the Trade