

nation of tariffs over an agreed period of time, with phasing and transitional arrangements tailored to the needs of the sectors involved. But tariffs are only part of the package. It is in the area of non-tariff barriers that the most potential benefits are likely to come. We need to look at local content rules. We need to deal with "Buy America" and "Buy Canada" restrictions to government procurement.

We must focus on ways to reduce the scope for harassing each other's competitive exports. We in Canada are deeply concerned about the increasing level and scope of U.S. trade protection laws — at the extent to which anti-dumping, countervail and emergency safeguard actions are being demanded and considered. Sometimes these measures are aimed directly at Canadian products or services. Often they are aimed at others, but we get sideswiped by them. We believe it essential to seek a more predictable and more competitive trading environment between our two countries.

And here's where that renowned contemporary phrase, "the level playing field," comes in.

In our view, a level playing field means playing by agreed rules, not necessarily your rules and not necessarily ours. Not, in other words, rules that are unilaterally imposed by either side. We see the negotiation of rules agreed to by both sides, rules that are fair and balanced for both countries, as a major benefit of a new agreement.

Put it all together and we both have much to gain from a new bilateral trade agreement.

There is considerable international precedent, by the way, for the success of bilateral trade agreements between neighbours of unequal size. Not long

ago, I was in New Zealand, which has had a bilateral trade agreement with Australia for three years. New Zealanders are so delighted with it that they want to speed it up, to shorten the transition period provided for their industries to adjust. So, for that matter, do the Australians.

We do have some concerns about our cultural identity, however, which not all Americans understand. For all the similarities between our two peoples, there are differences as well, and we have no intention of giving them up.

We are a bilingual country. We will remain so.

We are committed to a wider net of social programs than Americans are, to our health and unemployment insurance, to our pension plans, to the reduction of regional disparities. We will remain committed to them.

We also have special policies to protect and promote our cultural industries — such as publishing, broadcasting, records and films. These are vulnerable in any small country that borders on a large one, and we take — and will continue to take — special pains to preserve them.

These things — our bilingual character, our social programs and our culture — are all part of what we Canadians regard as our unique identity. They are part of what makes us Canadians, and they are not at issue in the negotiations we will hold with you. In an address at the University of Chicago last week, my Prime Minister had a pretty good explanation why they are not negotiable. "Canada and the United States," he said, "are different sovereign democracies. In the United States, you cast the net of national security over more areas than we; in Canada, we cast the net of cultural sovereignty more widely than you."