

I couldn't come to Toronto and not talk about trade, so let me begin there.

When roughly one-third of your gross national product (GNP) depends on trade, you cannot pretend that you live alone. The Common Agricultural Program of the European Community will not dissolve simply because Canada disapproves of it. Protectionism in the United States will not succumb to the condemnation of the Toronto Star. Yet if the Common Agricultural Program remains unchanged, our farms, or our Treasury, or both, go broke. And if there is no alternative to protectionism in the United States, more and more jobs will be lost in Canada, including in Ontario, particularly in Ontario. We face real challenges in trade. We have faced them before, and we met them by broadening our trade arrangements.

Indeed, there is an interesting parallel in history. Fifty years ago, the United States was gripped by protectionism. Smoot-Hawley was passed, and insular U.S. policy dragged the world deeper into depression. That destructive pattern was broken by a bilateral agreement between Mackenzie King and President Roosevelt, in 1938, that was the beginning of liberalized trade between our two countries. That agreement became the basis of the GATT, just as an agreement now, between Canada and the United States, could break the new tide of American insularity, and thereby open new opportunities for a more liberal world trading system. We must pursue our bilateral and multilateral trading interests together. The global trading system depends on a strong U.S. commitment to free and fair trade. Liberalization of the largest bilateral trading relationship in the world would also help to halt the drift of the global trading system toward protectionism.

Some critics argue that, in response to the latest burst of U.S. protectionism, we should scrap the trade initiative. That would be exactly the wrong step. We are going to stay in the field, and try to beat the protectionists, because to quit the field is to surely lose. To back away from a negotiation would give an easy victory to U.S. protectionists, and invite more of the measures that we are fighting now. To stay at the table gives us the chance to negotiate an alternative to protectionism, and at the same time, win our exporters access to the larger market we need.

The bilateral talks require political will on both sides if they are to succeed. The latest U.S. protectionist measures have raised doubts about the degree of U.S. commitment. But their elections are now behind them. The Administration has stated consistently its commitment to a freer trading system, between our two countries, and in the world.