

Strengthening the rules of world trade is what this latest round of multilateral trade negotiations is all about. Governments around the world, including yours and mine, must make these negotiations succeed.

We must produce both a better and more systematic set of international trade rules. We must silence the skeptics, and assure both investors and traders everywhere that governments are committed to trade expansion. And not protectionism.

Our own Free Trade Agreement has shown the directions in which we must take the GATT as we approach the turn of the century:

- reduced tariffs;
- better dispute resolution processes;
- new rules for services;
- new rules for intellectual property and investment; and
- in addition and as a priority, better rules to attack the gross over-subsidization of agricultural products.

There will be a mid-term review of progress in this negotiating round, in Montreal in December. That conference will help us all to sharpen our focus and make practical early progress in moving the rules of the GATT ahead.

With luck history will repeat itself.

Just as the 1935 agreement between Canada and the United States led the way to the creation of the GATT so may our Free Trade Agreement set us on the path to a stronger and more effective system of world trading rules.

Another kind of exchange across the border -- the movement of acid rain -- is equally urgent for us to address and resolve.

Just over two weeks ago, in New York, Prime Minister Mulroney said:

"The obligations of neighbourhood also include the stewardship of our natural environment. The boundary between us is political but the environment pays it no notice. On no issue is this clearer than acid rain."

I fully realize that this is a contentious issue in a state like Illinois which produces coal, whose industrial well-being depends upon the advantages of low cost energy, whose citizens, if they are like ours, already find their utility bills too high.