

Our multilateral and bilateral negotiating objectives are complementary. A bilateral trade agreement between us could have an important influence upon the multilateral negotiations.

Canada and the United States could provide a precedent for improved discipline on the whole new generation of impediments to trade which now affect all countries. Canada and the United States need new rules to govern the heavy two-way traffic between us. We owe it to ourselves to search for new areas of mutual benefit.

Canada is a trading nation. A little more than 30% of our gross national product comes from exports. And Ontario is a trading province. Exporting firms account for more than one-third of provincial output. About one in every five jobs in Ontario is dependent on successful international trade. In 1985, exports across Canada totalled \$4,870. per capita. In Ontario that same year, exports totalled \$6,525. per capita.

Canada and the United States are each other's largest trading partner by far. This year, trade in goods between us will exceed \$120 billion (U.S.). Add in services such as shipping, tourism, insurance and telecommunications and the amount rises to \$146 billion (U.S.). We must be assured of secure access to this market.

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.

Now, naturally enough, some people approach these questions in fear. They think that in any negotiation Canada is going to be outsmarted. That attitude simply sells Canada short. We are too strong for that. This country can meet the best in the world and this country can beat the best in the world.

The real question isn't about what other countries are going to do to us. The real question is about what Canada can do for itself. This debate is a test of Canadian self-confidence. It is a test of Canadian maturity.

This is a strong, accomplished, confident country and we should act that way, because if we don't we put at risk the economic strength which will allow us to pursue distinctive Canadian goals and interests.