

I met with Bill Brock on February 17 to review progress and exchange ideas and provide a clearer focus on our joint work. We agreed on an immediate priority list of sectors which we would both examine. These were steel, agricultural equipment and inputs, government procurement with particular reference to urban mass transit and computer services/informatics. We agreed to meet again in May to receive reports from our officials on work on the priority list of sectors. At that time, we will review the desirability of including new sectors for examination.

I want to turn now to some of the concerns that have been mentioned by critics of the sector initiative.

Some suggest that it will lead to a loss of sovereignty. If one defines loss of sovereignty as the loss of flexibility in trade policy matters then obviously bilateral sectoral arrangements would have such an effect. So indeed does the GATT, the Autopact and other trading instruments in which we agree to remove Canadian trade barriers in return for concessions by the other party.

It may be, however, that what is meant by sovereignty in this context is related more to national