

eroded. This is particularly true in the area of agricultural trade, although it has also occurred more recently in textiles, clothing, automobiles and steel, to cite some other examples.

Everyone has seen the difficulties we have had in defending our access to the United States market, whether it be for wood products, hogs, flowers, or any one of a whole series of products. But those problems are not unique to our relationship with the USA. It is difficult, if not impossible, to sell some goods in Japan or the EC or a range of other countries. We have also heard allegations that some aspects of our own trade policy could be liberalized.

In the face of the parlous situation of international trade, Canada urged on all countries the need to restore vitality and discipline to the international trading system. WE have initiated negotiations bilaterally with the United States, our principal export market and the major supplier of Canadian imports, in order to bring greater predictability and security to our trading relationship. Our access to that market, and to others as well, has been threatened by the implementation of trade policies which are the extension of domestic policies. One current example is wheat. There the combination of USA deficiency payments and set-aside schemes with currency revaluations have led to inefficiencies which partly engendered the USA's Export Enhancement Program. And that program has hurt Canadian wheat producers, who rely on the international market for 80 percent of their sales. Canadians generally depend on international trade for more than one-third of their incomes and it is essential that they have some confidence that their livelihoods will not be jeopardized by capricious actions of others. It is worth reminding ourselves that international trade accounts for about 50 percent of farm income in Canada, and that we cannot therefore afford to stand by and watch while the international trading system works its way through its difficulties.

Although the preponderant part of our trade is with the United States, Canada was one of the countries that promoted the launch of a new round of GATT negotiations. We can not afford to neglect our exports to, and imports from, other parts of the world. Moreover, it is clear that some issues which arise in the context of Canada/USA negotiations have larger ramifications and need to be dealt with on a broader basis than the bilateral context.

As you well know, over the past year, Canadian agriculture has been particularly stressed by developments in international trade.