

more competition out there in the market than there ever has been before. There have also been fundamental changes in the market, in what people want to buy. Plastics are up, base metals are down. High technology is sweeping the world.

What we are facing, indeed, has been referred to as a "collection of revolutions coming together." We in North America are in the midst of what may be the most fundamental transition of our history -- a transition rooted in technology but involving almost everything that touches our lives: our energy base, our financial system, our industrial structure, our employment structure, our family structure, the way we communicate and our framework of beliefs.

This is too much to cope with all at once, but we can at least try to tackle it piece by piece. What we in Canada are wrestling with is opening up our economy, to make it more competitive, more attractive to investment, and to provide more jobs.

Trade is obviously a very big part of that opening, because trade is such a big part of our business.

The discussion paper we are now working with breaks down our external challenges into two parts. The first deals with the GATT, and fully supports the initiatives being taken by the United States towards beginning yet another round of multilateral negotiations. The GATT remains the cornerstone of our trade policy. Without it, it would be very difficult to maintain even the semblance of an orderly international trading policy.

At the same time, however, we must pay particular attention to our bilateral trade with the United States, and the paper sets out four possible courses.

We could try to go along under the status quo, despite the protectionism that seems to be rising with your dollar.

Or we could try to negotiate arrangements limited in scope to particular sectors, or to particular types of non-tariff barriers.

Or we could negotiate a framework agreement, which would commit the two governments politically to objectives and mechanisms for the removal of trade barriers and the settlement of bilateral disputes.