

when trade wars were raging all around the world, and that agreement became the basis of the world trading system today. We also have the Auto Pact, and nobody's complaining about it.

To put the question in the context of the real world, there is plenty of international precedent for the success of bilateral trade agreements between neighbours of unequal size.

Not long ago, I led a trade mission to New Zealand and Australia, which have had a bilateral trade agreement for the past three years. Australians outnumber New Zealanders by about five to one, which makes New Zealand the hyperbolic mouse to Australia's hyperbolic, well, kangaroo.

But New Zealanders don't feel crushed. Quite the opposite. Their increased trade with Australia got their economy out of the doldrums. New Zealanders are so delighted with the agreement that they want to speed it up. They want to shorten the transition period provided for their industries to adjust. So, for that matter, do the Australians.

Question: Why should we devote so much attention to the Americans? Isn't this putting all our eggs in one basket? That's what the Federal Liberals are saying.

Answer: The Liberals know better than to say that.

There are two questions involved here. Let's take them one at a time. First, we devote so much attention to the Americans because they are our biggest customer. They take three-quarters of all our exports. They buy roughly one-quarter of everything -- repeat everything -- we produce. To put it in terms of jobs, the jobs of two million Canadians are directly dependent on the business we do with the states.

And second, no, we are certainly not putting all our eggs in one basket. We're out pounding the streets everywhere in the world, promoting our trade. In the same paper that we listed bilateral trade talks as an option to consider, we also made it plain that expanding our global trade, under the GATT, was vital to Canada as well. At the same time that we proposed bilateral trade talks with the Americans, we also launched a major new trade initiative in the Pacific Rim. We opened a consulate in Osaka, Japan. We're sending four more trade commissioners to China and opening a consulate in Shanghai. The whole area is getting more attention than it ever has before, and our posts in the area are getting more manpower and more financial support than they ever have before.

Next month, I will be going around the world on a trade mission which will take me to Singapore, Indonesia, Malaysia, Thailand and Hong Kong. In Southeast Asia, my principal mission will be to help open doors for Canadian businesses that want to do more business there. But on the same mission I will also be going to London, for a strategy session with our trade commissioners all over Western Europe to consider ways to increase our trade in that vital area.

And that's only part of the story. Canada has played a leading role in getting the trading nations of the world to start another round of multi-lateral negotiations to bring down more of the existing barriers to trade. This new round will be the eighth since the end of the war, and it should get underway this year. Canada, by the way, has offered to host the ministerial conference that will get it underway.

So much for putting all our eggs in one basket.