

Another argument that one hears increasingly from sophisticated circles who should know better is the refrain that nobody else plays by the rules, so why should we? Those who take this approach argue that the trading system is breaking down and that there is no choice available to those determined to protect their own economic security than to fight fire with fire by joining with those who are disregarding the rules. This argument is destructive of all that we have created in the post war era.

We all know that none of us is perfect or as my friend Bill Brock puts it "none of us is without sin". But as the major trading countries, we share a leadership responsibility in ensuring that the trading system as a whole is seen to be working fairly.

Competitive foreign suppliers must have full and fair opportunity to serve all our markets, consistent with international rules which allow for action to prevent domestic injury. Failure to provide fair access will only lead to greater skepticism and even cynicism. This in turn would strengthen the hands of the proponents of protectionism and narrow reciprocity.

Let us make no mistake of what is at risk. A turning away towards more protectionist policies and actions by the major trading blocs could, as we learned in the 1930's, have a catastrophic effect on the global trading system and on the economic well-being of all of us.

There is another more sophisticated argument which does not seek to deny the economic benefits of freer trade. It is that the level of economic integration which we have achieved imposes upon us an unacceptable degree of international intervention in our domestic societies. In other words, it limits to too great a degree the scope for domestic action.

Those who favour this argument seek to turn the clock back to a simpler era. As attractive as it may be to some, turning the clock back is impossible. We have gone too far - and rightly so.

We are living in a closely knit world where we must all cope together, for our economic well-being (as well as our political security) are inseparable. Unilateral attempts to redefine the rules or the principles of the trading system cannot succeed and can do much harm.

The lesson to be drawn from this is that real understanding and mutual support between trade partners will