

and Japanese policy. Trilateralists should remember Pogo, the North American philosopher, who said, "we have seen the enemy and he is us."

As a nation dependent on exports for almost 30 percent of our Gross Domestic Product -- which translates into about a quarter of our total workforce -- Canada has a critical stake in the maintenance of an open world trading system. As world traders, we must also continually respond to change in the global marketplace. Canada is now the only industrialized Western nation without secure access to a market of more than 100 million people. Clearly, our future as a vigorous and respected member of the community we call the West, requires that we meet the rapidly shifting challenges of global competition and global protectionism.

So it is no longer surprising that comprehensive bilateral trade negotiations should be undertaken by Canada and the United States. The trading relationship of our two countries has grown to become, by far, the largest in the world -- over \$150 billion (U.S.) last year. The Canada-U.S. trading relationship is simply too large, too complex and too interdependent to be governed by existing rules. Our shared goal is the creation of a long-term framework that will see the dismantling of tariff and non-tariff barriers over time and in an orderly fashion.

A long-term binding Canada-U.S. agreement also holds the potential to set precedents and useful patterns for multilateral disciplines in such vital areas as trade in services and trade-related investment measures. From our perspective, the MTN and Canada-U.S. trade negotiations are complementary enterprises. Any agreement we reach with the U.S. will be compatible with our GATT obligations. Given the implications of interdependence, it is in the general interest that Canada and the U.S. achieve sustainable balanced growth through more resilient and competitive economies. A well-conceived bilateral trading framework -- from which both nations can benefit equitably -- should contribute to that end.

The New Round of Multilateral Trade Negotiations launched at Punta del Este will be the most comprehensive set of multilateral trade negotiations ever attempted, and we must take great care not to allow the political commitments at Punta del Este to be jeopardized. That could happen if drastic protectionist bills pass the U.S. Congress, or if progress is not maintained on market-opening in Japan, or if there are no signs of demonstrable progress toward resolving the crisis of agricultural subsidies.