

and more prosperous thanks to trade liberalization both at home and abroad.

In both the United States and Canada there are people who claim that building higher protectionist walls will save jobs and allow the economy to prosper.

Yet the fact is that over the past four decades both the United States and Canada have grown stronger economically as our exposure to world trade has increased, and as our own trade barriers have been reduced.

Recent years provide an interesting example of this trend. As we all know, the United States has been running large trade deficits since 1982. These deficits have prompted numerous interest groups to demand that tough protectionist measures be taken against U.S. trading partners, including Canada. However, during the same period that you have been experiencing large trade deficits, you have also enjoyed economic growth and an enviable rate of job creation.

Those who say lower trade barriers mean economic decline have got it backwards. In fact, it's just the opposite. For all nations, cooperative efforts with their trading partners to reduce tariff and non-tariff barriers pay off. Forty years of global trade liberalization prove that international trade is mutually beneficial.

For Canadians, the threat that the United States may abandon its historic commitment to free trade is ominous. Despite President Reagan's continuing support for trade liberalization and recent evidence that the U.S. trade deficit is declining, protectionism appears to be gaining ground in the United States.

One sign of this is the increasing tendency to harass foreign producers. We view the ongoing threat to Canadian softwood lumber as a particularly unwelcome illustration of how American trade laws are often employed in an unjustified manner, creating considerable uncertainty for foreign exporters, and for the people employed in export industries.

I use the term "unjustified" because the Canadian lumber industry was exhaustively studied and given a clean bill of health by the U.S. Commerce Department only three years ago. Since then, nothing has changed.

Yet through unilateral changes in the rules used to measure subsidies, the Department completely reversed its 1983 ruling and imposed a 15 per cent provisional duty on Canadian softwood lumber in mid-October.

We reject the reasoning behind the Commerce Department's recent reversal on softwood lumber. One critical issue in dispute is