

and heavy competition from imports, such pressures are perhaps understandable. It is all the more important, therefore, that governments develop alternative ways of dealing with the problems that give rise to them.

We in Canada are certainly determined not to ignore the lessons of the 1930s. We do not intend to place our economy in a strait jacket which will prevent adaptation and real growth in the 1980s. "Beggar thy neighbour" policies, artificial props for inefficient sectors or band-aid solutions do not provide either effective or convincing alternatives. Because of our small domestic market and consequent dependence on external trade, Canada has a great deal to lose and little to gain by trade wars or anything else that will affect the free international flow of goods.

It is apparent, however, that there will be occasions due to specific domestic considerations when some trading partners will need to initiate some trade restrictions in certain sectors. What is important is that during these difficult periods, trading partners be sensitive to each other's problems in order to ensure that any restrictions of a short term nature will not result in the unravelling of the liberalized international trading frame-work which has evolved since the Second World War.

For example, if much of the so-called "reciprocity" legislation now on the Congressional calendar were to be passed, even though such legislation may be emotionally appealing, it could, if carried to extremes, reduce trade to even lower levels and make a mockery of the international system which has served both our countries so well during the postwar years.

The General Agreement on Tariffs and Trade (GATT) with which I know you are as familiar as I, attempts to provide a matrix for global discipline on the increasingly complex maze of international trade. At a time when it is tempting to focus on the weaknesses that may exist in the GATT, we should not overlook its very remarkable achievements. To a large extent, because of GATT, tariffs have been lowered to the point where they are often not the central issue any more. The most recent round of negotiations launched a major initiative against non-tariff barriers to trade. The GATT provides the most solid base from which to expand the assault on the new trade-inhibiting measures which have recently proliferated in order to ensure that future trade is fair trade for all.

**1980s trade  
agenda  
expected**

The November meeting of the GATT ministers, which incidentally Canada will chair, is the first such meeting since 1973. While it is not intended to launch a major new round of trade negotiations, it is expected to agree on a work program, a trade agenda for the 1980s so that issues of concern and areas of particular interest can be addressed in ways to strengthen and make more relevant, hence more credible, the system as a whole. We attach the highest priority to a successful result at this meeting and are preparing our case on issues of special concern to Canada.