

There are problems unique to trade in horticultural products because of their perishability, different growing seasons and different approaches by governments in providing assistance and support. Frankly, we are less than fully satisfied that the GATT rules on anti-dumping investigations take adequate account of the special characteristics of this trade.

I see merit, therefore, in an examination with our principal trading partners of the problem, in the hope that we could establish better guidelines for this area.

I fully expect that both our skill and our political will to manage the Canada/United States relationship will be put to the acid test over the next few months, or more precisely between now and the November elections. There are worrying indications that 1984 may be a difficult year in our trade relations.

No democratically elected government is immune from protectionist pressures. These are particularly acute in times of high unemployment. To its credit, the Administration has, with one or two notable exceptions like specialty steel restrictions, resisted such pressures.

Your legislative branch is, however, much less predictable. We have learned through long experience that there is a constant risk of unilateral and unpredictable action by the Congress which can have a deleterious impact on Canadian trade interests. It is small consolation that the target may be Europe or Japan and the impact on Canada inadvertant. As your closest neighbour and largest trading partner, trade barriers hurt us as much or more.

This presents a particular challenge for Canada. With our small population and hence small domestic market, access to export markets is an important consideration in determining location of new investment.

Take, for example, cement. We have, in recent years, witnessed a proliferation of Buy-America type restrictions at the Federal, state and local level. Such requirements were included in the Surface Transportation Assistance Act of 1982, possibly one of the most protectionist measures to be implemented by any government in recent years. It effectively precludes use of imported steel, cement and urban transit equipment for projects financed under the Act. Its effect on Canadian cement producers has been extremely damaging. You will appreciate that the economics of production and