

of our export assistance programs.

And finally, we intend to get Canada pulling together more effectively, with a greater and more urgent sense of shared purpose than ever before. It is our intention to increase practical, working cooperation between the Federal and Provincial Governments on trade matters, as on other matters. We also intend to restore and develop the sense of teamwork between the private sector and government, and in this area we are counting on organizations such as the IPI to play a vital role.

These are our guiding principles. The challenge is to make them work amid the economic and political realities in which we live.

In the broad international sense, we are faced with two conflicting realities. One is the open international trading system embodied in the General Agreement on Tariffs and Trade. Just over 100 nations subscribe to the GATT, and in the 35 years since it was created it has succeeded in reducing a great many of the tariff barriers that impeded trade. The GATT might be looked at as an expression of the long-term wisdom of the trading nations, the recognition that the freer the trade the greater the prosperity.

But this long-term wisdom is tempered by short-term "smarts" -- the perceived need to keep local industries protected, one way or another. And this has led to the erection of a growing maze of non-tariff walls, things like quotas, local content rules, special marking regulations, so-called "voluntary restraint agreements" and a variety of other baffles, many of them ingenious. Protectionism is a game the whole family can enjoy, and everybody plays it, to some extent, including Canada.

Yet ultimately it is a futile, even self-defeating game. Non-tariff barriers can block trade just as effectively as prohibitive tariffs, and barriers to trade make less and less sense in a world that is becoming more and more interdependent. There is, in fact, an emerging international consensus in favour of a new round of multilateral trade negotiations under the GATT. The new round could begin, if all goes well, in about two years, and could make some progress, eventually, in reducing trade barriers. I say "eventually" because the last round of GATT negotiations, the Tokyo Round signed in 1979, took six years to accomplish and will not be in full effect until 1987. My government, however, is actively supporting the initiatives of the United States and Japan to launch another round of negotiations. The GATT may be cumbersome, but it has brought us a long way.