

our largest trading partner, the USA, it also urges us to seek out trade opportunities with countries all around the globe.

I want to emphasize that, in my view, the countries of the Pacific rim are among the most promising in the world for expanding trading links with Canada. Our trade policy for the 80's is above and beyond all else, a statement affirming the importance of international trade to Canada and Canadians, underlining the importance of this sector to our economy and encouraging Canadian companies to get on the export bandwagon.

The broad objectives of Canadian trade policy can be briefly summarized as follows:

The development of a stronger, more efficient, productive, competitive, and non-inflationary domestic economy, with increased employment opportunities benefitting Canadians from all regions of the country.

The promotion of a more stable and open international trading environment within which Canadian and foreign firms alike are encouraged to plan, invest and grow with confidence.

The fundamental message of the review is that the open trading system continues to be the best and most practical option available to enable Canadian producers and consumers to benefit and to improve their standard of living.

As a major trading country with limited political clout it is important that we assert our rights and observe our international obligations on trade, not to be "a better boy scout" than others but to ensure that efficient Canadian producers continue to operate in a predictable climate and not a law of the jungle in world trade. To this end the government will:

A) Give first priority to efforts to strengthen the multilateral trade and

payments system (to broaden both its scope and its discipline).

B) Seek to ensure that foreign laws, regulations and practices do not adversely affect access to export markets of Canadian producers.

C) Exercise fully Canada's right under bilateral and multilateral trade agreements so as to safeguard access to export market.

D) Work more closely with Canadian producers and provincial governments to search out and to develop new export markets and to derive maximum potential from existing markets.

E) Expedite new legislation intended to ensure that Canadian producers benefit fully from Canada's rights under international agreements to deal with unfair and injurious imports. It is the Government's belief that Canada's procedures for dealing with such imports should be as responsive, efficient and effective as those of our major trading partners.

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One of the hardest political choices of all involves decisions to provide relief or respite to beleaguered Canadian industries. The judgments are particularly difficult in times of high unemployment.

Protectionist actions can carry a heavy price for consumers and exporters and short-term palliatives may only delay necessary adjustment for non-competitive industries and delay even further necessary shifts in priorities and in investment.

Nevertheless, there are occasions when extraordinary measures are required, at

least temporarily, to maintain employment or to permit vital sectors of the economy to adjust to increased competition.

The review offers neither easy answers nor individual prescriptions.

It suggests that we rely on the tariff and on an effective safety net of contingency protection within a generally accepted international standard, i.e. similar to that of our competitors, but that we avoid breaking new ground on protectionism, that we accept the longer-term objective of removing restrictions and that we allow and facilitate necessary adjustment.

A radical shift in the Canadian trade policy framework is neither warranted nor practical. There are no magic alternatives to the open multilateral system which has guided Canadian trade policy and performance in post-war years and which provides a basis on which bilateral trade relations are conducted. This system, embodied in the GATT, has served Canada well.

We need only look at the dramatic growth in our exports and the increasing contribution of trade to our GNP as evidence of the benefits to the Canadian economy of the agreed multilateral rules.

They give us improved access to export markets and the certainty and predictability which the private sector needs in making investment decisions.

We stand to gain through efforts to strengthen both the capacity and the credibility of the system. We stand to lose if actions are taken which weaken or undermine its principles.

It is not a matter of choice but of sheer necessity for Canada. In a one-on-one trade world, we would be at a decided disadvantage with larger trading partners.

The basic conclusion is that we can do better in ensuring that our practice is within this framework and that we need to do more through multilateral and bilateral channels simply to preserve our existing stake in trade.

In summation, you could say that the government's decision to undertake a comprehensive review of Canadian trade policy underlines the priority which this government attaches to a strong trade performance.

Exports have been, and will continue to be, one of the main engines of growth and job creation in the Canadian economy. Canadians need to appreciate more fully that exports are the key to further economic development and that continued export success will depend on Canadian producers being competitive and productive and seeking out new markets around the world. The results of this review of trade policy provide a framework of basic trade policy principles to guide future decision-making. ■

Gerald Regan is the Canadian Federal Minister of State for International Trade.



Gerald Regan shares a joke with financial Secretary Sir John Brembridge.