

being taken. This current round, which is referred to as the Tokyo Round, is the seventh set of negotiations that has taken place since 1948. The postwar period has seen a progression of international negotiations, primarily (up to now) designed and centred upon tariffs and the reduction of tariffs. That has been the principle ingredient in the six previous sets of negotiations. The present one is far more comprehensive and therefore far more important in many respects, although I should not want to diminish at all the effectiveness of what has been done in the last 25 years. I think many of you as businessmen will acknowledge that, had we not had this new approach (a slow and faltering one to begin with, but nevertheless a new approach over this last quarter-century), then world trade probably would have been much more disrupted than it is at the present time. And, so far as Canada is concerned, I believe we can look at the past 25 years and indicate that the predecessors of MTN have all been very helpful in giving to Canada a better trading environment and better opportunities overseas. This time we have gone considerably beyond a mere discussion of the negotiation of tariffs. That continues, of course, to be a pivotal and central part of the negotiations. But, in addition to that, there have been other factors added — among them, for example, some mechanism for dealing more effectively with what have come to be called non-tariff barriers. If any of you have had the experience of seeking to deal with many foreign countries (indeed, in some respects, in dealing as closely as with our neighbour in the United States), you will know that there are many occasions when the tariff has not proved to be as much of an impediment as some what have come to be called non-tariff barriers. The Japanese market, in particular, I suspect, is probably the most dramatic example of how non-tariff barriers can be a prohibition to a freer sort of trade environment. And so, therefore, a great deal of emphasis is being placed in this round of talks on normalizing and, in a way, legitimizing the whole question of non-tariff barriers and of trying to achieve what is really the second objective to which I want to refer, and that is a more orderly and stable world trading environment.

The biggest difficulty in many respects in the past (and particularly over these last four or five years) has been that businessmen and governments have never been quite sure, in terms of introducing new policies or, in the case of business, undertaking new and aggressive sales techniques, whether the ground-rules were, in fact, going to be changed in mid-stream.

This has been especially true in a lot of the markets to which we in Canada have been looking under what has come to be described as the Third Option. We, of course, are referring in that context to the European Community, to Japan, and particularly to some of the emerging countries. In virtually all of these, there has been a good deal of uncertainty about what non-tariff barriers are likely to do. One or two examples from our experience in Canada are obvious and I suppose the one that comes most readily to mind is the Michelin case in Nova Scotia, where a whole question of governmental assistance for regional economic development was called into question by the action of the United States under what might be described as a non-tariff barrier item. And, as a result of that, for these last three or four years (although I have to say that the American Administration has been co-operative), it has always been hanging over us, this question of whether or not, once a grant was provided for a company to locate in

---