

The challenge is to enlist your help in taking that message to both Canadians and Americans.

Trade means jobs and jobs mean economic and social security. Both are necessary to reach that state of bliss so aptly described by Americans as "Life, liberty and the pursuit of happiness", and by Canadians, predictably as "peace, order and good government". Those two phrases -- one dynamic and one prudent, describe the inherent difference in our national characters.

I want to step back a bit from the details of the current trade discussions and provide a perspective in which to view longer-term issues which I believe Canadians and Americans should bear in mind when discussing the trade negotiations.

#### Protectionism and the Bilateral Economic Relationship

Next year, 1987, will mark the fortieth anniversary of the founding of the GATT, the General Agreement on tariffs and Trade. Four decades ago, the nations of the world, led by the United States and strongly supported by Canada, decided to build a new international trading system. They had two goals.

First, to prevent the destructive, protectionist trade policies of the 1930's from gaining the upper hand in the postwar world.

And second, to move gradually, but steadily, toward the objective of free trade.

The economic horrors of the depression years were fresh in the minds of the architects of the GATT. They understood that the disastrous consequences of the depression were due largely to the fact that virtually all nations were protectionist. The results, which seem predictable today, but were not fully understood in the 1930's, were declining world trade, stagnant economies and massive unemployment.

Since the late 1940's a lot of progress has been made in lowering trade barriers through the GATT. Indeed the eighth round of GATT negotiations has just begun. But the economic difficulties of the 1980's, which are being discussed in GATT, have made the quest for freer global trade an increasingly difficult one.

Protectionist forces and trade restrictions are on the rise in many countries today. Some people, pointing to growing levels of imports or to trade deficits, favour a decisive application of protectionist medicine. Perhaps they forget that this medicine proved near fatal in the 1930's.