

forcefully by governments if we are to avoid the disastrous experience of the '30s.

Economic recovery will no doubt help to ease the pressures but we should not allow ourselves to become complacent about the threats facing the international trading system. The GATT Ministerial meeting last November reconfirmed the international community's commitment to open trade and to resist protectionist pressures. It adopted a work programme which, if implemented diligently, will help to restore the health of the trading system. The momentum achieved last November must be maintained and efforts must continue to preserve and strengthen the multilateral trading system.

Canada's stake in the open multilateral trading system is enormous. Approximately 30% of our GNP is generated by trade, which makes our economy one of the most open in the world. This means that our economy is even less insulated than others from the trends in the world economy and the present crises has been felt particularly strongly in Canada in terms of high inflation, interest rates and unemployment. The Canadian government, like that of other industrialized nations has been and continues to be under strong pressures to protect its industry and, like others, we have been obliged to take temporary measures to safeguard employment. We have kept such measures to a minimum and have been very active on the international scene in defense of open trade. Indeed, for Canada, economic nationalism in the field of trade, dictates that we maintain a firm commitment to free trade and that we encourage others to adopt the same attitude. It is vitally important for us that our principal trading partners, and, in the first instance, the United States of America, maintain their markets open for our exports in the same way as we are determined to maintain our market open to their exports.

We have to work particularly hard to maintain the broad balance of interests in our trade and investment relations and avoid the narrow type of reciprocity conception, on a sectoral and national basis, that seems to have some credibility in the U.S.A. Particularly if extended to the unagreed area of right of establishment of foreign investment, reciprocity would be a new and highly disruptive form of nationalist protectionism. It would vary trade and investment protectionism among economic partners and Upset the Broad Balance of interests in the International Economic System.

Coming from a country, Canada, that has not experienced the excessive levels of nationalism that have produced wars and hardship for other nations, I can be