

Over the past year and a bit, Canada has been engaged in a national debate on the subject of our trade with the United States. The debate has been led by our newspapers, which have, I believe, recognized the importance of trade and given the issue responsible and thoughtful coverage. I may not agree with everything that has been written, but I didn't expect to. It is, after all, a debate.

What is most relevant is that your publications have played a leading role in making Canadians aware of the importance of our trade -- not only with the United States, but with the rest of the world as well. It has not been an easy task, for trade is a complex subject, but you have been up to it and in my opinion you have served Canada well. So I would like to take this opportunity to congratulate you, publicly, for a job well done.

Maybe even too well done. For today, I'm entertaining serious suspicions that you and the Canadian Press may have some powers of prescience. From your point of view, and looking at what's going on down in Washington, I doubt that you could have picked a better week to schedule a talk from the Minister for International Trade.

From my point of view, it's still a bit early, because Washington is still producing more heat than light. But let's take a look at the situation anyway.

The problem came up quite suddenly on Friday morning, when Senator Robert Packwood, the Chairman of the Senate Finance Committee, said the committee would, if it voted that day, probably reject President Reagan's request to enter trade negotiations with Canada. Now Senator Packwood is from Oregon, which is a lumber state, and he has been trying for the past few months to pressure the White House into taking

protectionist measures against Canadian softwood lumber, but even so his announcement came as a surprise.

It was a surprise to us. It was a surprise to Clayton Yeutter, the U.S. Trade Representative, who maintains close liaison with both houses of Congress. And it was certainly a surprise to the White House.

It was a surprise because, although Senator Packwood's sympathies were well known, he is only one Senator out of 20 on the Finance Committee, and the signals coming from the Senate -- and the House of Representatives, as well -- all indicated that a majority in both Houses had no objections to starting trade talks with Canada.

Curiously enough, they probably still have no objections. What Senator Packwood and his Finance Committee were doing was sending a message -- not to Canada, but to the White House. I think we can assume that the message got through.

The trouble is that Canada got sideswiped in the transmission. We got caught, at least temporarily, in a spontaneous outburst of Senatorial frustration at a variety of Administration policies, not the least of which is its inability to reduce America's trade deficit, which is humungous. There are many in the Senate who believe the White House is not being assertive enough -- and by "assertive", they mean "protectionist" -- in turning the deficit around. The Administration's position, on the other hand, is that only by further liberalizing trade, all over the world, can the U.S. restore its trade balance. In a political system that is based on the separation of powers, this is something more than a difference of opinion. It is a classic confrontation.