

And it could provide a model for the 93 countries of the General Agreement on Tariffs and Trade on how to solve disputes and how to improve existing codes on subsidies and government procurement. Those are all top American objectives in the new round of GATT negotiations launched at Punta del Este, the most important round of negotiations since the GATT was launched forty years ago. But those negotiations, of course, will take years to produce significant results.

Canada and the United States, on the other hand can conclude an agreement within the next year -- if there is sufficiently strong support for such an agreement on both sides of the border. That is why some Canadians are perplexed by current American actions. Because if you cannot reach agreement with your closest trading partner on such issues, good luck to you in dealing with the rest of the world. And God bless all of us in the resulting chaos!

Those are six reasons why a trade agreement would be mutually advantageous. And, there are other reasons which meet our respective national needs. On our part, more secure access to the American market would encourage larger, lower-cost production runs in Canadian factories and help us to achieve the economies of scale that have largely eluded us in the past.

So, what can we do to get from here to there? Two things come to mind.

First, both governments must educate the public about the goals of a trade treaty. The goal is not immediate, unbridled and absolute free trade. The goal is to create a long-term binding framework that will dismantle tariff and non-tariff barriers over time and in an orderly fashion.

The objective is to create a secure relationship that will promote economic growth and create employment in a secure environment.

Second, the private sector both here and in Canada can help by fighting protectionism -- by fighting for the interests of a silent majority against the interests of a vocal minority - and to warn governments when they are shooting themselves in the foot.

I recognize this will not be easy in the United States. Despite the President's strong support for the trade talks with Canada, the mood in the United States seems protectionist. The trade deficit has become a major political issue. As a trading nation, we are sympathetic to your concerns.

But we are fair traders. Your problems are not with us. It is no secret that Canadians are feeling uneasy about this outbreak of American protectionist fever. Trade actions are being launched against us in increasing numbers. Key sectors such as steel and softwood lumber are being threatened. Often we are innocent victims of broader trade conflicts. I can think of no better example at the