

So the issue becomes: how do we move the world away from subsidy, back toward efficiency. Another essential question is what do we do in the interim, and the government is trying to deal with that in our domain, as the Canadian Cattleman's Association is in your case against Danish and Irish Beef. But the most effective interim measures are those directed toward an ultimate objective -- and our objective has to be to move trade in agriculture back along the spectrum, away from subsidy, toward natural efficiency.

Let me put that challenge in perspective.

Public policy is not always orderly or consistent. That is why it sometimes frustrates utterly logical people, like cattlemen or commentators.

I won't try today to analyse why conventional wisdom about appropriate policy changes. But as we decide how we deal with this crisis in agriculture trade, it is useful to note the changes that are occurring in world opinion and practice.

There is a change in attitudes about the role of governments. Generally, in the late 1980's, governments are getting out of economic enterprises, which generally, in the 1970's, governments were encouraged to get into. There are major privatization programmes underway in Canada, the United States, the United Kingdom, and France, to name a few. That is significant as an indication that public attitudes change across national boundaries. That new attitude relates directly to the subsidy practices that began, on this scale, with the Community's Common Agriculture Policy.

It is also significant in that the direction of the change is away from government control. There is a reduced expectation of what government is supposed to do, and that reduced expectation is a significant political factor within both the European Community and the United States -- the two principal contributors to the trade subsidy war we are worried about.

A related reality is deficit control. Michael Wilson may be more effective than other Ministers of Finance in getting his deficit down, but he is not alone in his preoccupation. Indeed for Michael and for me, the first hopeful sign that we might be able to break this cycle of international subsidy was at the OECD spring meeting this year, when individual ministers from Common Market countries complained about the cost, to their consumers and their economies of the Common Agriculture Policy.