

Good evening, ladies and gentlemen. It's a great pleasure for me to be here tonight. As a one-time journalist, coming to a dinner like this is a particularly interesting experience.

It might be said that experience in both journalism and politics gives you a unique advantage, a certain edge. As somebody once put it, "if you succeed in politics there are many rewards; if you disgrace yourself, you can always write a book".

International Trade has become a matter of the highest importance to our country. The world economy is changing on a daily basis. New competitive forces are emerging. New products are being developed. New markets are opening.

But markets are closing as well. It is no exaggeration to say that the international trading system has been stretched to the limit.

We can see this stress and strain on a variety of different fronts. In January, the U.S. and the European Community fought over the community's enlargement. The U.S. drew up the famous "yuppie's grocery list" of items that it threatened to restrict. That crisis was averted at the eleventh hour.

More recently, the U.S. and Japan have squared off over the simmering semi-conductor issue. Charging that Japan has breached an agreement to settle the dispute, the U.S. has announced a retaliatory package. Prime Minister Nakasone's visit to Washington failed to defuse this crisis.

Even the most casual observer of U.S. politics knows that tough trade talk is reverberating through the halls of Congress. With the largest trade deficit in U.S. history, Congress is looking for targets to strike. To read some of the legislative proposals there is to read a litany of protectionism.

Tonight I'd like to speak to you about what the Prime Minister has called an economic issue of historic importance to this country.

The tide of protectionism has been rising for some time. The Prime Minister showed considerable foresight in choosing to launch this historic initiative. It is only now that some Canadians are beginning to see our vulnerability to U.S. protectionism and the logic of our two-track approach to trade.