

sort of things you buy from us. Australia is Canada's fourth biggest market for fully finished manufactured goods. Hundreds of Canadian firms are active here, promoting their sales through local Australian sales representatives.

For many Canadian businessmen, in other words, Australia does not seem so far away. That being the case, Australians should find Canada just as close.

When I was speaking to your Ministers in Canberra yesterday I discussed the prospect of a new round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade. Forward movement toward an era of diminished trade obstacles would benefit us all, and I am happy to say there is agreement between our two countries that a new round of trade talks -- it would be the eighth under the GATT -- is needed. It's needed for many reasons: to combat growing protectionism in the world, to address long-standing problem areas such as agriculture, quotas, subsidies and safeguards, and to bring the international trading system into phase with the changes that have been taking place in world markets.

The fact is that trade between nations is no longer what it was ten or even five years ago. We used to trade goods and that was it. Now we trade ideas. Much of the trade between Canada and Australia is still composed of tangible commodities, but more and more our firms are associated in other ways. We produce goods under licence. We use each other's brand names. We take a television program and produce new wealth by rebroadcasting it. We have one country's pop music stars record in another country's studio. We assiduously follow the latest twist in production methods, which often turn out to have been developed in Japan. The Japanese tell us that they simply

followed advice received 30 years ago from the United States.

Another element of change is the increasing complexity of the technology embodied in our exports. Giving the local representative a few shop manuals will no longer permit him to give adequate after-sales support in a foreign market. Some governments also make special demands that local content be incorporated in their purchases.

It is in the context of such a changing world that we in Canada have urged that progress toward a new round of GATT negotiations proceed with the minimum of delay. And we are happy that Australia agrees.

We have not only called for progress on the world stage, we have also served notice of our intention to begin talks with our neighbour and predominant trading partner, the United States, about ways to reduce or eliminate the barriers that still exist between us. We believe this step could do more than serve the particular interests of Canada and the U.S. We believe it could also set a positive example for the other trading nations of the world. It is our hope that the initiative we are taking with the United States will hasten, rather than impede, a wider and more general easing of trade barriers.

In your own arrangement of "Closer Economic Relations" with New Zealand there may be wrinkles we should consider as we begin discussions with the United States. We know how it works on paper, of course, but the ins and outs of practice might have relevance for us. I hope that corporate executives I meet in Australia will give me the benefit of their personal experience with the C.E.R.

Two possible ways of expanding our trade -- with each other and with the