

What about the United States? I cannot, of course, comment on the negotiating objectives of the U.S. Government. Nonetheless, it seems obvious that the vast majority of Americans have a lot to gain from the negotiations. Indeed, Senator Bill Bradley wrote in The New York Times that "every farmer and every worker in American export industries has a stake in making certain these talks do not stall".

Those people who reflect the interests of that majority must speak louder than the self-interested protectionists. People like you, who clearly have an interest in the negotiations, should demonstrate that interest to U.S. policy-makers.

So, as the title of the conference asks, what is your stake in the negotiations? Let me list a few reasons why the negotiations are in your interest.

First, the United States would enjoy better access to a major wealthy market which is equivalent in size to some 10 per cent of the U.S. domestic market. This would be particularly important to industries in border states that already export heavily to Canada. Canada has been an attractive and growing market for U.S. exporters. A trade agreement that phased out remaining tariffs would result in even more export sales for U.S. industry.

Second, the United States would benefit from the development of new rules to address non-tariff barriers and other policies that impede trade. For example, government procurement in both Canada and the United States is restricted in many cases to domestic suppliers. A new trade agreement could lead to the opening up of a very significant government procurement market in Canada for the United States.

Third, the establishment of new rules to regulate trade in services will be in the economic interests of both the United States and Canada. Services account for some two-thirds of GNP in most advanced industrial countries, and they are an increasingly important element of world trade. In fact the international monetary fund has estimated that 20 per cent of world exports is now of services.

At present, trade in services is not subject to GATT discipline, and the United States had identified this as a priority issue for the new GATT round. Communications, transportation, professional services and finance are among the most important service industries for the Canada-U.S. economic relationship. Services may be where the bulk of trade action is in the future.

The trade negotiations provide an opportunity to devise mutually acceptable rules and standards that will improve