

UNTIL THIS MILESTONE IS REACHED, IT IS IMPORTANT TO RECOGNIZE THAT THE INTERNATIONAL TRADING SYSTEM WHICH WE ARE ENDEAVOURING TO STRENGTHEN COULD BE IRREPARABLY DAMAGED BY CAPITULATION TO DOMESTIC PRESSURES WHICH INCITE UNILATERAL ACTIONS OUTSIDE THE GATT. WE SHOULD NOT FORGET THAT TRADE PLAYS A CRITICAL ROLE IN THE PROCESS OF INDUSTRIAL ADJUSTMENT AND TECHNOLOGICAL ADAPTATION WHICH IS CENTRAL TO ECONOMIC EFFICIENCY AND COMPETITIVENESS.

PROTECTIONIST PRESSURES AND THE TRADE RESTRICTIVE PRACTICES TO WHICH THEY GIVE RISE ARE NOT UNIQUE TO ANY ONE COUNTRY. AMBIGUOUSLY DEFINED CONCEPTS OF RECIPROCITY, FAIRNESS AND MANAGED TRADE COMPROMISE THE WORKINGS OF THIS INTER-RELATIONSHIP AND MUST BE OPPOSED.

YET, AS NATIONS ATTEMPT TO GRAPPLE WITH PERSISTENT TRADE IMBALANCES AND STRUCTURAL DIFFICULTIES, DOMESTIC PRESSURES FOR PROTECTIONIST MEASURES ARE GROWING. THE PURSUIT OF SOLUTIONS TO TRADE PROBLEMS ALL TOO OFTEN YIELDS UNILATERAL MEASURES WHICH DO NOT ACCORD WELL WITH INTERNATIONAL TRADE RULES. THE MOST IMMEDIATELY PROMINENT OF THESE IS SECTION 301 OF THE U.S. TRADE ACT WHOSE REQUIREMENT FOR MANDATORY ACTION IMPLIES A LACK OF