

be crucial as our economies continue to pass through this difficult time. Certain restrictive measures have been necessary in all our countries and may well be unavoidable in the future.

In facing up to these problems, it is imperative that major trading countries demonstrate the sensitivity and will necessary to produce mutually satisfactory solutions. If we do not work together to alleviate these pressures, the consequences could be disastrous.

We must all bear in mind that trade relations are not only a matter of applying rules mechanically and blindly. They are a matter of policy - of judgement and sensitivity to imponderables. We must take account of each other's difficulties and not just our own.

We must also be aware of our responsibilities to the world. We must elevate the debate above dangerous mutual recriminations, misunderstandings and resentments. The overriding nature of our common interests must lead us to sharing responsibility for solving the major issues facing us.

This must be our first priority.

But resistance to the pressures of protectionism is not sufficient to do the trick alone. As I said earlier, we must move forward. A significant milestone will be reached in November when the GATT will meet at Ministerial level. That meeting two months from now presents all of us with a major challenge. It will be important for that meeting to begin to come to grips with a number of problems where agreement has so far eluded us as well as beginning to address the question of how to ensure that the framework of the GATT remains viable throughout the 1980s.

It might be helpful if I share with you the priorities which Canada will carry into that meeting:

- Safeguards Agreement -- We want to see a system which requires everyone to follow the same rules and which would ensure that exports are not acted against frivolously or unnecessarily. At the same time it clearly must allow emergency actions when these are fully justifiable.

- The Dispute Settlement System -- This system is critical to the effective enforcement of GATT rights and obligations. We must renew our commitment to make it work