

that might arise. This is also a point included in the communique.

In addition to this, priority had to be given during our talks to a policy towards countries of the Third World, what we call North-South relations. This is necessary not simply because it is our duty, but also because it is in our own interest. We must be distrustful of any attitude that I would term paternalistic. It is when we will be able to expand trade on stable bases, when we will be able to stabilize raw material prices—once this is done—it will be possible for those countries to set up lasting development plans. And once they have done this, we, the industrialized countries, will be able to fulfill our tasks.

And I think that along the lines of what we call the energy affiliate and along the lines of global negotiations which will be referred to again at Cancún, and also concerning international relations, I would say that on all these points progress has been achieved. We have been able to outline our objectives clearly.

And then, particularly during our informal meetings, we discussed problems concerning international relations, concerning the balance of forces. The position of France has always been as follows: equilibrium above anything else. Of course, equilibrium has to dominate not simply the matter of forces, but it should determine the nature, the type of negotiation to be opened up—the aim being to ensure disarmament and peace.

In conclusion, I would like to say that in Paris, or perhaps I should say in France, the next summit will be held. As you know, we have reached the end of a first cycle here in Canada. This was the seventh summit. So a new cycle of such summit meetings will begin, and I am very happy that the first element, the first step in this cycle, will take place in France. I will be happy to welcome there, my friends and partners, gathered here today. And since it is my task, I will continue to put forward and defend the interests of my country, but I will make sure that the summit of the industrialized countries will make it possible for us to continue along the path of understanding of our common interests and of our common tasks.

Thank you, very much. Thank you, Mr. President.

*Prime Minister Trudeau.* The Chancellor of the Federal Republic of Germany, Chancellor Schmidt, now has the floor.

*Chancellor Schmidt.* Thank you, Mr. Chairman, ladies and gentlemen. First of all, I, too, would like to thank you very warmly for the welcome, the hospitality of your country, and for the way you have acted as Chairman. You have been a very fair, very just Chairman. Thank you very much, Mr. Trudeau.

I think that we have found many areas in which we have been able to agree, and there were also many other areas or sectors in which close cooperation is possible and in which I think we can achieve or have already achieved a compromise. We have all expressed our desire to fight inflation and unemployment and to achieve competent and strong world trade and world economy.

I would like to stress these points because this time, even more so than in the past, the countries were represented by heads of state who use different economic policies or recipes, if I can call them this, in their own countries, in the range between monetarism and Keynesian theory.

I would like to bring up four points. Firstly, the main role played by trade policy. We agreed here that we do not wish to adopt any policies that take account only of national goals and do not take account of the repercussions they may have on the world economy. We do not wish to pursue such national policies.

I'd like to refer you to points 21 through 24 of the communique more particularly. We all face considerable pressure towards protectionism in our own governments, and we have all here expressed the desire to avoid such protectionism with a view to maintaining the strength and freedom of world trade.

Secondly, another important subject was that concerning the problems caused by high interest rates. We had a very detailed and interesting discussion without any accusations from one of the other parties, and several participants mentioned what negative repercussions a longlasting, high interest rate would have on their national econo-