

We reported that to the Prime Minister, and he decided to mount a sustained campaign for a change in the world's attitude toward subsidies that became the basis of our approach to the Summit of Industrialized Countries in Tokyo in May.

Just before that Summit, Mr. Mulroney convened a meeting of major representatives of Canadian agriculture, here in Vancouver. Then we raised the question of agricultural trade at the Summit, and argued to other leaders the inconsistency of summit countries preaching freer trade on one hand, and practicing protectionism in agriculture. To our surprise, the debate on agriculture took hold in the Summit. Every member nation recognizes that the spiral of subsidy must be stopped and that we will have to act together to stop it.

That was the first time in the history of Economic Summits that agriculture was discussed in detail. We are continuing the initiative the Prime Minister took at Tokyo.

On the one hand, we are protesting, as strongly as we can, each new assault on our markets or interests. The Prime Minister has twice in the last ten days spoken to President Reagan about the U.S. recent grain actions, and my first call, on arriving back in Canada Wednesday, was to George Shultz. I raised the question with the Community in June. John Wise has travelled to Brussels and to Washington to urge his colleagues to cool their conflict.

On the other hand, we are playing a leading role in trying to go beyond the present sharp disputes and mobilize international action to cut back subsidy.

It's slow going.

Charlie Mayer called a meeting here, in June, of Ministers from the World's five major grain exporters, to search for an agreed way to cut back subsidy. Mr. Mayer is going to the Cairns meeting in Australia, later this month, to help build a common strategy against subsidies.

But even as those meetings occur, new protectionist measures are introduced in the United States, and the same members of the European Community have acted to prevent an agreement that would have given GATT a chance to tackle the surplus and subsidy problem. I won't take you through all the detail, but our negotiators at Geneva, working closely with others had come to the very edge of agreement on an agenda that would let us confront these basic agricultural problems at the Ministerial Meeting on GATT in September in Punta del Este, Uruguay. At the last minute France and Ireland, and Spain and Greece backed out of the agreement on the agenda.