

trade in services, high tech, agriculture and other resource products. There will certainly be an attempt to tighten existing GATT rules, including safeguards and dispute settlement procedures. Another priority will be further improvements in disciplines concerning government procurement practices.

I'm not going to talk about these in any detail, but I would like to bring up another aspect of the negotiations. They will be wasted unless the developing countries -- the LDCs -- take full and active part.

But to get the L.D.C.s to the table, we must take their concerns on board. We should be prepared to think carefully about their requests for special treatment for their products, including not only agriculture and resource products but value-added goods as well. At the same time, we have to be sympathetic to their financial positions. Many of these countries are under I.M.F. management, and that puts them in a difficult position. The I.M.F. demands that they curb imports so they can pay off their debts. What the GATT is asking them to do is almost exactly the opposite: lower their tariff barriers. Obviously, some negotiations would be useful.

So much for the grand picture. Let's go to relations between Canada and the United States.

So much has been said about the many similarities and the subtle differences between our two peoples that I'm sure you could tick them off as well as I. We have so much in common that it's hard for us to think of each other as foreigners. Our business relationship is the largest in the world. Not only are you our largest customer, but we are yours. And if the province of Ontario were counted separately, it would be your second largest customer.

And yet, as you know, there have been ups and downs between us. Most of our scrapes are minor, localized and temporary, the inevitable abrasions that come from our proximity and the sheer volume of business that goes on every day between us. But there have been real "downs", and they have usually been caused by the politicians.

You had "54-40 or fight", for example, and we had "no truck nor trade with the Yankees." More recently, you had the Nixon Doctrine and we had the "Third Option" -- an attempt by the previous government to move Canada away from the United States.