

or Malaysia or South Korea or some other region that is now actually providing very serious competition in the textile field for even another developing area. And so part of our strategy round the world has been to try to direct developing countries first of all into the kinds of industry that won't be head-to-head competitors with us in Canada, and, secondly, those where we have a capacity to supply them with the technology, with the equipment and the like that will get them into that particular kind of business. Clearly it is not an easy task, but it is one, I think, on which we are getting some focus and a considerable amount of experience in the business community. For example, we invite them to and they participate in various trade missions.

The third element in this is, of course, terribly important for us in Canada, and that is the dichotomy that exists in a nation such as ours, which is at one and the same time a developed and a developing country, a country of high technology, on the one hand, but a large producer of raw materials and natural resources, on the other. I say that it is a problem for us because, as you will have noted, in perhaps the last six months or so a new kind of discussion, and even debate, has begun in this country, one in which I hope that groups like yourselves will engage in an analytical kind of way and give us the benefit of your judgment. The Export Development Corporation is something the Government of Canada has been employing with considerably more usefulness over the last decade or so in support of Canadian industry, and particularly in support of Canadian high technology and machinery manufacturing. Now one of the problems we have here is, of course, that many of the things we produce (and I shall use pulp and paper as an example) are machines developing countries wish to buy from us, including the technology that goes with them, so that they can in turn produce various paper products. Consequently, we have clearly a tug-of-war within Canada between those who are manufacturing pulp-and-paper machines or logging machines or whatever the case might be in order to capitalize on those markets, and those within the country who are actually producing pulp and paper or raw materials of one kind or another, such as copper, and who say: "Well, this is ridiculous, because all you are doing in a way is creating new competitors for us overseas". The short answer, of course, ... is that we are not the only people producing that kind of equipment and therefore it is not a matter of whether Czechoslovakia, for instance, is going to go into the business of producing pulp and paper — they are going to do that regardless. The question is whether they are going to get the equipment with which to do it from us or are they, as was the case there, going to get it from Austria or from France. We happened to beat them out on that particular order and we have in a number of other areas as well. But, really, I am being diverted to some extent from the MTN; but I did want to sketch in some of the elements that are involved in terms of what our negotiators and we who try to plan the strategy have to bear in mind.

Now so far as the MTN themselves are concerned, and to return to some of the goals that we hope will come out of it, one is one that I have already mentioned to you — namely, a more secure environment. But, clearly also, it is inevitable that there will be within Canada companies, and perhaps regions, that will not be able to make a total adjustment to the new scheme of things. The adjustment, of course, I should emphasize, because once again it is not, I believe, fully understood that it is not going to

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