

can be economically transported, and in processing those raw materials in those three large markets. One notes that world trade in raw materials and in fully manufactured goods has been growing more rapidly than in semi-processed materials. As a result, Canada has a range of processing facilities which are by and large limited to serving the Canadian market and which, therefore, may operate at less than optimum size and at more than the lowest unit cost achievable. This situation, in turn, imposes burdens, in terms of higher input costs, on Canadian users, who are themselves often the producers of more fully manufactured products.

Accordingly, Canada is pressing for a substantial reduction in tariff escalation in the product sectors where other countries have been happy to buy our concentrates or our ingot but less willing to buy more advanced products. But there is more to this than merely trying to reduce tariffs and tariff escalation. Tariff reductions, particularly with regard to the trade in resource-based products in which the units of production operating units are very large, must be secure, and must be seen to be secure.

That is, to use the Geneva jargon, we want not only better terms of tariff access, we want security of access as well. We cannot accept a system in which