

You will realize governments are always under pressure to react to competitive imports by erecting some special barriers; we need to equip ourselves to look very carefully into such requests so that we don't react when there is no unfair competition, and that we are well-informed and can act when there really is damage to Canadian producers.

Accordingly, we have introduced a bill now before the Senate to enable us to use one of the existing investigative bodies -- the Anti-dumping Tribunal -- to enquire into cases of alleged injury from imports which, though not dumped, are said to be unfairly competitive. Parliament is being asked to broaden the Tribunal's scope for such enquiries.

I might also refer to the growing concern at the extent to which other highly industrial countries are apparently using various forms of subsidized credit to increase their export of capital goods to Canada. Our manufacturers should be expected to compete with the producers of other countries, but not with their national treasuries.

We consider that there have been some imports recently that looked remarkably like credit-dumping. Accordingly, we propose to bring such credit-dumping within the ambit of the Anti-Dumping Act; like any other kind of dumping which injures our producers, it is proper for us -- under the GATT -- to act against it. This will, I am advised, require some changes in the very detailed regulations that have been made under the Act, and these are now being considered on an urgent basis by the specialists within my Department.

And finally, let me reiterate the obvious on the subject of productivity in the manufacturing sector. There are now limited possibilities for productivity improvements in some of the service industries which are now such important employers in Canada. Clearly, if Canadians expect to realize the higher incomes they want in the next few decades, they must look primarily to the manufacturing sector. The rate of productivity growth is the only source from which we can gain improvements in our standard of living. Over the past 20 years, the average increase in output per man for the economy as a whole, exclusive of the government sector, has been $2\frac{1}{2}$ per cent *per annum*. But for manufacturing alone it has been 3.4 per cent *per annum*. This means that for the economy as a whole, including governments, it is unrealistic to think of an annual improvement in our standard of living in excess of 2 to 3 per cent. This is a fact to which governments, as well as individuals, should accommodate themselves.

The third matter I want to discuss is the impact on our prospects of economic regionalism, and particularly the possibility of the EEC being enlarged. Clearly, the postwar policy of negotiating reductions to trade barriers, negotiating on a multilateral basis under the leadership of the United States, has lost some of its momentum. In Western Europe, the drive is not towards such multilateral efforts but rather towards the creation of a great free-trading zone covering most of Western Europe.

These developments, if they do come to pass, will create problems of adjustment for Canada. If Britain joins the Common Market on the basis of the present common external tariff and the present common agricultural policy, the terms of access for Canadian exports to Britain will be greatly changed.