

SUCH SPECIAL IMPORTANCE TO THE OBJECTIVE OF GREATER RESOURCE PROCESSING AND UPGRADING PRIOR TO EXPORT. IT WOULD BE DIFFICULT INDEED TO ENVISAGE CONTINUING HEALTH FOR CANADA'S ECONOMY AS A WHOLE WITHOUT SIMILAR GOOD HEALTH IN SECONDARY MANUFACTURING AS WELL AS OUR RESOURCE INDUSTRIES.

### CANADIAN MANUFACTURING AND THE MTN

ON THIS OCCASION, NEGOTIATORS WILL BE ATTEMPTING TO GRAPPLE NOT JUST WITH TARIFFS ON INDUSTRIAL GOODS BUT WITH THE WHOLE RANGE OF TARIFF AND NON-TARIFF BARRIERS TO TRADE IN BOTH AGRICULTURAL AND INDUSTRIAL PRODUCTS.

ON THE TARIFF SIDE, THE FINAL RESULTS WILL ENCOMPASS NOT ONLY LEVELS OF PROTECTION ON THE FINAL PRODUCTS OF CANADIAN MANUFACTURERS BUT, OF COURSE, ALSO THOSE APPLYING TO IMPORTS WHICH ENTER INTO THEIR PRODUCTION COSTS. THIS IS AN IMPORTANT POINT IN THINKING ABOUT EFFECTIVE PROTECTION AS OPPOSED TO NOMINAL PROTECTION AND ONE NOT ALWAYS FULLY RECOGNIZED. WHAT IS MORE GENERALLY THE FOCUS OF CONCERN IS THAT THE FINAL BARGAIN, WHATEVER INCREASED OPPORTUNITIES IT MAY PROVIDE IN EXPORT MARKETS, WILL ALSO CREATE INCREASED COMPETITION IN THE CANADIAN MARKET THROUGH REDUCTIONS IN EXISTING