

FROM THE DYNAMIC CHANGE GOING ON AROUND US. MATTERS THAT MUST BE ADDRESSED ON THEIR OWN MERITS AND IN THE CONTEXT OF A TOTAL ECONOMIC POLICY. BUT

I DO THINK THAT IF WE ARE TO HAVE AN EFFICIENT AND PRODUCTIVE ECONOMY IN THE FUTURE, WE MUST PLAY A FULL ROLE IN THE CURRENT NEGOTIATIONS. THIS, HOWEVER, IS NOT A QUESTION OF BEING SOMEHOW DRAGGED ALONG AND DANCING TO THE TUNE OF OUR TRADING PARTNERS. QUITE THE CONTRARY, CANADIAN PARTICIPATION WILL BE CLOSELY TAILORED TO ACHIEVE THOSE GAINS WHICH ARE LIKELY TO BRING THE GREATEST REAL BENEFITS TO CANADIAN INDUSTRY OVER THE LONGER TERM, BOTH IN FOREIGN MARKETS AND IN RELATION TO OUR OWN ECONOMIC DEVELOPMENT. IN THE NEGOTIATIONS WE SHALL BE SEEKING TO OBTAIN A MIX OF TARIFF AND NON-TARIFF BENEFITS AND OBLIGATIONS WHICH WILL YIELD THE MOST POSITIVE POSSIBLE OVERALL RESULTS FOR THE CANADIAN ECONOMY - INCLUDING THE FURTHER DEVELOPMENT OF OUR SECONDARY INDUSTRY ON AN EFFICIENT AND INTERNATIONALLY COMPETITIVE BASIS.

THE FINAL RESULTS OF THE TARIFF NEGOTIATIONS CANNOT, OF COURSE, BE FORESEEN AT THIS TIME. WHATEVER THE TARIFF FORMULA OR HYPOTHESIS AND THE RELATED NEGOTIATING RULES, WHAT COMES OUT AT THE OTHER END WILL REFLECT BARGAINING DESIGNED TO YIELD RECIPROCITY OF BENEFITS BETWEEN THE PARTNERS. THAT RESULT - WHATEVER IT MAY BE - WILL BE ONLY ONE OF THE MANY FACTORS OF CHANGE AFFECTING THE HEALTH OF OUR ECONOMY. THE EXISTANCE OF A TRADE NEGOTIATION SHOULD NOT BE ALLOWED TO CROWD OUT OTHER PRIORITY CONSIDERATIONS. CERTAINLY THESE NEGOTIATIONS WILL NOT SOLVE ALL OUR PROBLEMS. THE CONTAINMENT OF INFLATION, THE LEVEL OF WAGE AND OTHER COSTS AFFECTING CANADIAN COMPETITIVENESS, COMPETITION POLICY, TAX PRACTICES AND POLICIES, THE INVESTMENT CLIMATE, AND THE SERIOUS PROBLEM OF THE INADEQUATE