

With increasingly open trade and financial markets based on nearly 60 years of international cooperation and negotiations — thanks also to rapid technological change, improved communications and faster transportation — economic and political developments in one country today often have ramifications worldwide. The increasingly easy transborder flows of goods and services, capital, information and people have created a high degree of mutual interdependence — in other words, globalization. Lord Keynes evoked the concept well when he wrote:

The inhabitant of London could order by telephone, sipping his morning tea in bed, the various products of the whole earth, in such quantity as he might see fit, and reasonably expect their early delivery upon his doorstep... Most important of all, he regarded this state of affairs as normal, certain, and permanent, except in the direction of further improvement, and any deviation from it as aberrant, scandalous, and avoidable.

Although this was written almost a hundred years ago, the message is much the same today. Globalization can and does work — and it works for Canada. One of the main vehicles of globalization is trade, and trade is one area where few nations can match Canada's performance, including its G-7 partners. Canada now exports some 45% of its GDP versus the G-7 average of 17%; it imports about 40% of its GDP compared to a 14% average for the G-7. One out of every four jobs in this country depends directly or indirectly on trade, and jobs in the trade-dependent sectors of the economy pay significantly better, on average, than do those in domestically oriented sectors.

