

In 1991, Canada's merchandise trade with Japan accounted for 5% of total merchandise exports and 6.7% of all export supported jobs (111,244). Every billion dollars of merchandise exports to Japan creates 15,759 jobs in Canada, 43% more jobs than each billion dollars of exports to the U.S.. This difference is largely related to the export product mix, with wood and paper products, food industries and other processed resource products creating jobs with high Canadian content, compared to transport equipment (a major component of exports to the U.S.) in which a higher level of imported inputs (mostly originating in the U.S.) lowers the number of jobs created in Canada.

In 1991, every billion dollars of Canadian merchandise exports to South Korea supported 12,850 jobs in Canada. The \$1.8 billion dollars of Canadian merchandise exports to South Korea supported a total of 23,761 jobs in Canada in 1991. Canadian merchandise exports of \$11 billion in 1991 to the EC (12) accounted for 151,393 jobs in Canada. Each billion dollars of merchandise exports supported 13,699 jobs in Canada.

There are two strategic, trade-related methods to increase jobs in Canada. One is to replace imports used as intermediate inputs with those which are made in Canada, or at least increase their Canadian value-added. But for governments to attempt to dictate this course would be inconsistent with our international trading obligations in most instances, would likely lead to retaliation against Canadian exports, and could limit our access to cost-competitive inputs needed for down-stream production. Such government-directed import substitution would undermine Canadian competitiveness. The second approach is to provide a domestic and trade policy framework that will encourage greater export competitiveness. Exports have been forecast to grow between four and five percent annually for the next twenty years. If exports increased by only one percent more each year, within ten years Canada would have generated a minimum of at least 165,000 additional jobs.