

Preface

In recent years much attention has been paid to the increasing interdependence of the world in which we find ourselves. As a trading nation, Canada depends heavily on its international trade performance for general economic well-being. It is the most direct way in which foreign affairs touch our daily lives. We may drink Florida orange juice for breakfast, check the time on our Swiss watch, wear a shirt from Hong Kong, buy French perfume and watch an American movie on a Japanese TV. At the same time, we realize British and American newspapers are printed on Canadian paper, New Yorkers ride on a Canadian-made subway car, other Americans heat their homes with Canadian gas, the Chinese make their noodles with Canadian wheat and Venezuelans drive Canadian-made cars. While many worry about the negative impact of imports on potential employment, we should not lose sight of the fact that exports have traditionally been one of the main engines of growth and job creation in the Canadian economy. In today's interdependent world, we need to do both.

International trade is largely conducted by the private sector but the Federal Government plays an important role in providing a framework of laws, regulations, programmes and policies which help to ensure that Canadian producers and traders are not placed at a disadvantage compared to their foreign competitors. The key to a successful trade performance in a much tougher world economic environment will be improved productivity and competitiveness. While the signs indicating economic recovery are positive, we cannot afford to become complacent. All Canadians will thus need to co-operate and contribute to achieve continued prosperity through trade.

Over the past two years, the Government has conducted a detailed review of its trade policies and programmes in an effort to ensure that they reflect the problems and priorities of the 1980s. This Discussion Paper formed an integral part of that review. Together with the detailed *Review of Canadian Trade Policy*, it formed the analytical, factual and conceptual basis for Cabinet's consideration of a trade policy framework for the 1980s. It is now being made available to a wider audience. As such its purpose is to contribute to constructive consideration and discussion of the implementation of the trade policy framework the Government will pursue in the 1980s. It is the Government's view that such discussion, not only by experts, but by the public at large, can only serve to strengthen Canada's trade performance and the interests of all Canadians.

The framework for the conduct of Canada's trade policy contained in these pages does not provide for quick and easy solutions to the difficult choices we often face. It does not address particular problems and immediate needs. Rather, this document sets out the basic principles which have animated and will continue to ani-