

tive industries effected by the Automotive Agreement that was ratified by the two countries in 1965. This was a move designed to create, over a period, a common market in automotive products in North America. For Canada this produced exports of over \$10 billion in 1977 compared with less than \$100 million in 1962. At the same time, the rationalization process has also meant strong increases in Canadian imports of automotive goods.

Apart from the motor vehicles and parts, notable progress has also been made in increasing Canadian exports of industrial machinery and equipment which in 1977 was valued at about \$4 billion compared with about half a billion dollars in 1962.

Fully finished consumer goods exports (other than automotive products) have also increased strongly in the period since the early Sixties.

Canada and the world economy

By any measurement or yardstick, Canada has one of the highest standards of living in the world on a *per capita* basis. Sharp movements in international exchange rates make comparisons of standards of living over time particularly hazardous. However, OECD statistics in a recent year show Canada ranked second only to the United States in consumer spending *per capita* among the 24 OECD countries. Canada ranked very close to the top in passenger cars, television sets, doctors *per capita*, etc. Interestingly,

Canada ranked the very highest in terms of "access to higher education".

At the same time, Canadian dependency on its external trade is significantly higher than that for its traditional trading partners — the U.S., Japan and Britain. Currently, about 27 to 28 per cent of the total Canadian gross national product consists of either exports or imports of goods and services.

Position of Canadian manufacturing

It is fully recognized in Canada that the future of its export trade, particularly in manufactured products, is closely related to its ability to improve its industrial productivity or efficiency. To this end, the Canadian Government provides assistance to Canadian industrial companies, which takes many forms including grants, loans, loan guarantees, tax concessions, etc., to bring about advances in technology, and generally encourages development of products and processes which will enhance the international competitiveness of Canadian industry.

One result is that Canadian industry is becoming increasingly specialized or rationalized. The tables that follow suggest the trends in export orientation (share of production exported), import penetration (share of Canadian market supplied by imports) and the degree of self-sufficiency (share of Canadian market supplied by Canadian production) for the major manufacturing sectors. Trade balances (customs valuation basis) are also included. Selected