

CANADIAN TRADE POLICY MUST REFLECT A BASIC FACT OF CANADIAN ECONOMIC LIFE - OUR SMALL POPULATION. A SMALL DOMESTIC MARKET MEANS THAT SECURE ACCESS TO FOREIGN MARKETS IS CRITICAL.

IN CANADA, TRADE MEANS CANADIAN JOBS. TWENTY SEVEN PERCENT OF OUR GNP IS DIRECTLY RELATED TO EXPORTS. ONE IN THREE CANADIAN JOBS DEPENDS, IN SOME FORM, UPON TRADE.

UNLIKE COUNTRIES WITH LARGE DOMESTIC MARKETS, SUCH AS THE U.S., JAPAN, OR BRAZIL OUR INDUSTRIES REQUIRE MARKETS LARGER THAN OUR OWN TO ACHIEVE EFFICIENT ECONOMIES OF SCALE AND SPECIALIZATION. OUR COMPANIES NEED ACCESS TO THOSE MARKETS TO JUSTIFY INVESTMENT IN MODERN PLANTS AND EQUIPMENT AND EXPENSIVE RESEARCH AND DEVELOPMENT.

BUT SECURE ACCESS TO FOREIGN MARKETS IS IMPORTANT FOR MORE THAN JUST EXPORT-ORIENTED COMPANIES. IT IS ALSO IMPORTANT FOR CANADIAN CONSUMERS AND OUR RETAIL BUSINESS SECTOR.

IF OUR COMPANIES ARE NOT INTERNATIONALLY COMPETITIVE, THEY WILL NOT BE COMPETITIVE AT HOME. THAT WOULD MEAN HIGHER COSTS TO CANADIAN CONSUMERS AND LESS DISPOSABLE INCOME FOR CONSUMER AND BUSINESS SPENDING; AND THAT MEANS FEWER JOBS AND LESS ECONOMIC ACTIVITY IN OUR COUNTRY.

THESE ARE THE BASIC FACTS OF CANADIAN ECONOMIC LIFE THAT CANNOT BE WISHED AWAY. AND IT IS FOR THESE REASONS THAT FROM THE TIME OF THE GREAT DEPRESSION, SUCCESSIVE GOVERNMENTS HAVE ALL SOUGHT TRADE LIBERALIZATION THROUGH INTERNATIONAL NEGOTIATIONS.

THE EXPANSION OF THE WORLD TRADING SYSTEM HAS BROUGHT GREAT BENEFITS TO CANADA. OUR EXPORTING ABILITY HAS GIVEN US A STANDARD OF LIVING THAT IS THE ENVY OF MOST OF THE WORLD. AND IT HAS PROVIDED US WITH THE WEALTH TO DEVELOP ACCESSIBLE HEALTH CARE, AFFORDABLE EDUCATION, EQUALIZATION POLICIES, INCOME SECURITY PROGRAMS AND NATIONAL CULTURAL INSTITUTIONS - ALL THE INSTITUTIONS AND VALUES WHICH DEFINE THE CANADIAN WAY OF LIFE.