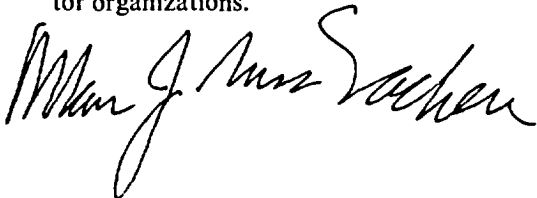


Foreword

This document was prepared in the summer of 1982 and formed the analytical and factual basis for the Government's intensive review of Canadian trade policy. It was discussed widely with private sector groups and individuals as well as with the provinces. Following consideration of the policy papers which the review gave rise to, the Government believed it would be useful if this document were to be given wider distribution. It was therefore somewhat revised and brought up to date and is now being released.

It is the Government's hope that this document, as well as its companion Discussion Paper, *Canadian Trade Policy for the 1980s*, will stimulate broad public discussion and understanding of the importance of trade to Canada's economic well-being. The Government believes that all Canadians need to appreciate that full and active participation in international markets is the key to Canada's further economic development. Only by selling a range of competitive products around the world can we continue to enjoy the much broader range of imports which are so basic to our standard of living and quality of life. Continued export success will require much greater conscious emphasis on the development of a competitive economy and new markets around the world. This document thus analyzes not only factors in the external environment which will condition Canada's future success as a trading nation, but also the place of trade in the Canadian economy and the interrelationship between trade policy and other economic policy considerations.

In a democracy like Canada, trade policy must have a broad measure of public support. The Government takes satisfaction from the fact that the provinces, many private sector groups, and a large number of individual citizens have taken a keen interest in this project; they have exerted healthy pressure on Ministers and officials alike to develop responsive and responsible trade policies. In the years to come, the Government hopes they will continue to do so, aided by the information and analysis provided by this document. In addition, the Government hopes this review will lead to further study of Canadian trade policy in the universities and various private sector organizations.



Deputy Prime Minister and
Secretary of State for
External Affairs



Minister of State for
International Trade

OTTAWA, August 1983