

VI. INTERNATIONAL COMPETITION

Virtually all participants indicated a growing awareness of Canada's competitive difficulties, tended to attribute them to low productivity and high wage scales, but were less than confident that much would be done in the short-term to improve the situation.

There was at times a startling lack of understanding of the importance of exports to the economic well-being of the country. A number of people, particularly in Montreal, believed that Canada imports more than it exports, although the majority felt otherwise. By the same token, while most felt that exports were vital to prosperity, a number felt that we could survive without exporting anything and supplying a purely domestic market.

A number of participants volunteered that the current value of the Canadian dollar (as against the U.S. \$) provided distinct advantages in terms of trade, and the majority seemed relatively unconvinced that there are serious threats to our existing trade strengths. In essence, participants seemed to feel that while we had to improve our international competitiveness, largely through greater productivity, enhanced entrepreneurial abilities, and a constant eye on the future and the need to modernize, we are not on the brink of disaster.

Participants tended to focus more on the problem of what we are currently exporting, voicing a strong feeling that the country must export fewer raw materials and more manufactured goods. In Vancouver, a number of people expressed concern about the export of logs to Japan, acknowledging that it was our wage rates that were preventing the sale instead of finished wood products, but arguing that the solution should be to stop selling raw logs rather than address the problem of our industry economies.