

tion has increased from 21 to 32 percent. Although there has been a traditional deficit in Canadian trade in manufactured products, particularly of end products, the implicit self-sufficiency ratio has hardly changed in the last 15 years. This also reflects a considerably higher degree of participation in international trade by Canadian manufacturing industries and a marked movement by Canadian industry towards international specialization, with the export-oriented industries gradually strengthening their position.

Canada is a nation which defies geography. Throughout our history, therefore, the federal government has fostered policies aimed at knitting the country together. Trade policy is no exception. From Sir John A. Macdonald's National Policy to today we have striven to maintain a policy which reflects the interests of the various regions, while remaining national in scope. Fish, for example, constitute less than two percent of our exports—but figure prominently in the economies of individual provinces and are featured prominently among national trade policy objectives. Similar priority is attached for identical reasons to developments affecting trade in agriculture, forest and mineral products. The Autopact was established to provide a stronger footing for a major manufacturing sector in central Canada. Furthermore, the commitments made in bilateral and multilateral trade agreements often provide the basis for coordinating domestic economic policies which would otherwise be pulled to and fro by special interests—thus maintaining consistency of purpose applicable to the country as a whole. A gradual movement towards freer trade has been a consistent policy orientation of successive governments and has proven to be an effective integrating vehicle for Canadian society. A continuing, strong trade performance will not only help sustain economic growth but also can serve to strengthen the economic development potential of different regions and industrial structures across the country.

A strong trade performance also plays a vital role in balancing the external accounts. Overall, Canada has traditionally registered a substantial trade surplus which has helped to pay for interest and dividends on foreign investment, for access to foreign technologies, for the deficit in tourism and for borrowings by different levels of government to finance economic development in Canada.

Trade is thus the vital link between the Canadian economy and the international competitive environment. It is through the medium of trade that Canadian producers have become integrated into world markets. Furthermore, trade has played and should continue to play a major role in providing an improved standard of living for all Canadians. Improved quality of employment and more rewarding jobs can only be achieved through continued growth in production which is integrated into world markets. Indeed, for Canada, trade has been and will continue to be the engine for growth. We do not have the option of a consumer-led recovery available to us.

Conclusions:

- Canada is crucially dependent on trade to maintain the current standard of living. This single fact emphasizes the significance of trade objectives in the