

I. EXECUTIVE SUMMARY

A. The Meaning of Trade

For Canadians, trade is "rocks and logs," and it is important. When asked what "kind of industry or products is Canada best at producing which Canada could sell world-wide," the overwhelming response mentioned resource products. Over one-third (38%) of respondents mentioned renewable resources -- primarily agricultural products. Forest products stood second at 22%, while energy was third with 10%. While all mentions of manufacturing or production stood at 14%, this can be broken down into heavy manufacturing (primarily autos) at 5%, traditional manufacturing (e.g., textiles) 3%, and future-oriented manufacturing and processes at 6%. In all, this is a very clear picture of a country which sees as its comparative advantage, its resource riches. From other work we know that there is no denigration of being "hewers of wood and drawers of water." Instead, building on that comparative advantage by doing further processing of those resource riches is often seen as the best economic development strategy.

When these data are looked at on a regional basis, we see that there is a tendency for each province to be more likely to believe that its products are the sort of products which the country is best able to produce and sell. Table I makes this clear.

Table I

BEST PRODUCTS FOR EXPORT BY REGION

<u>PRODUCT</u>	<u>CANADIAN AVERAGE</u>	<u>REGION</u>
	%	%
Primary Renewable (agriculture & fisheries)	38	Prairies 58
		Atlantic 48
Forest Products	22	B.C. 60
Energy	10	Alberta 26
		Québec 16
Heavy Manufacturing	5	Ontario 8