

THE RESULTS OF A MAJOR TRADE NEGOTIATION INVARIABLY INVOLVE, OF COURSE, NOT ONLY OPPORTUNITIES BUT CHALLENGES AND ADJUSTMENTS. SOME OF THE CHALLENGES ARE, OF COURSE, FOR GOVERNMENT IN TERMS OF RESPONSIBILITY FOR OVERALL MANAGEMENT OF THE ECONOMY. BUT INDIVIDUAL FIRMS AND INDUSTRIES MUST ALSO DEMONSTRATE CAPACITY FOR POSITIVE CHANGE, THE CAPACITY TO "ADJUST IN" TO NEW OPPORTUNITIES AND TO "ADJUST OUT" OF AREAS WHERE OUR COMPETITIVE EDGE IS NOT SUSTAINABLE IN A CHANGING WORLD. THIS, I APPRECIATE, IS NOT A NEW EXPERIENCE FOR MOST MANUFACTURERS WHO FIND THEMSELVES ADAPTING CONSTANTLY TO VARIOUS ELEMENTS OF THEIR BUSINESS ENVIRONMENT. THE STATUS QUO, ALTHOUGH THEORETICALLY THE MOST COMFORTABLE AND PREFERRED OPTION, IS NEVER REALLY OPEN. OUR ECONOMY, PARTICULARLY OUR GOODS PRODUCING SECTOR, AS A RESULT OF IMPORT COMPETITION, HAS ALWAYS HAD TO BE SENSITIVE TO CHANGING WORLD TRADING CONDITIONS. IF THE REST OF THE WORLD IS MOVING WE MUST DO SO TOO. TO STAND STILL IS TO BE LEFT BEHIND. TO SEEK TO SWIM UPSTREAM IS FUTILE AND DOOMED TO FAILURE IF THE CURRENT IS MOVING FASTER THAN WE. AT THE END OF THE DAY, WE WOULD ONLY BE MORE EXHAUSTED AND MORE VULNERABLE.

THE PROCESS OF POST-WAR TRADE LIBERALIZATION HAS BEEN ACCOMPANIED BY A MASSIVE INCREASE IN WORLD TRADE AND IN REAL TERMS ALL COUNTRIES HAVE BEEN THE RICHER AS A RESULT. INDUSTRIAL ADJUSTMENT WORLD-WIDE HAS TAKEN THE FORM OF INCREASED SPECIALIZATION OF PRODUCTION AND THE MORE EFFICIENT INTERNATIONAL DIVISION OF LABOUR; INTERNATIONAL TRADE HAS EXPANDED MORE RAPIDLY THAN THE GROWTH OF GOODS PRODUCTION. IT SEEMS TO ME THAT, IN THE CANADIAN CONTEXT, THE MTN RESULTS WILL REINFORCE SOME OF THOSE EXISTING TRENDS. THE LINE BETWEEN PRODUCING FOR THE DOMESTIC MARKET AND PRODUCING FOR EXPORT IS BECOMING MORE AND MORE BLURRED FOR MANY COMPANIES AND PRODUCERS. THAT TOO MAY BE REINFORCED IN THE POST MTN ENVIRONMENT.