



CANADA

# STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

70/21

## CANADA'S ROLE IN THE WORLD TRADING ECONOMY

An Address by the Minister of Finance, the Honourable E.J. Benson, Vancouver, November 16, 1970.

I should like to make some comments tonight on Canada's role in the international economy.... As you well know, there are far-reaching changes now taking place in the world economy and in the policies of the great trading countries that make it particularly important for us to think out clearly where we are going. For these reasons, you may have a special interest in hearing some views from the Government's side about the place Canada should seek to occupy in this evolving world economy.

Possibly the best way for me to open up this complex subject -- and I don't propose to do much more than to open the subject -- is to comment on several important developments and to try to draw some tentative conclusions about what these developments mean for Canadian policy. What I have to say is perhaps rather artificial and misleading because all these factors are operating together, and it is their impact together which we must assess in evolving Canadian policy. Let me say what I want to say under four headings, as a way of coming to grips with these issues.

First, we have to look hard at the changing structure of demand for Canadian products in world markets. Second, we have to look at the critical role of manufacturing in the Canadian economy and the growing need to take proper account of economies of scale and the scope for specialization on an international basis. Third, we need to assess the impact on Canada's future trade of regionalism and more particularly the possible development of a tariff-free zone in Europe stretching from the Baltic to the Mediterranean and including Britain inside its tariff and trade policy wall. Fourth, we need to assess the impact of protectionist sentiment in the United States, both on our immediate trade prospects and on the longer-run prospects for any movement towards a freer trading world.

Let us look first then at the changing structure of demand for Canadian goods. As I stated in the House recently, our exports have been a most dynamic force in the economy this year. The latest figures, for September, show some decline from the very high plateau achieved earlier in the year, but