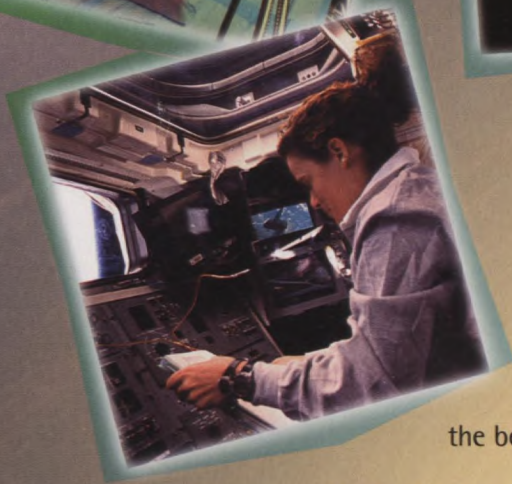


Douglas & McIntyre's export sales have increased from 23 percent of total sales two years ago to 31 percent of 1998's \$6.1 million. More than 80 percent of their exports go to the United States, 16 percent head to Europe; and 3 percent to Japan and Australia. "There has been a subtle shift in emphasis in the last five years to exports being critical and central to what we do. We have changed our publishing program to focus more on the international market."

SCOTT MCINTYRE, PRESIDENT, DOUGLAS AND MCINTYRE PUBLISHING GROUP,
VANCOUVER, BRITISH COLUMBIA



Trade means imports as well as exports. If some of the billions of dollars that Canadians earn from exports is used to purchase imported goods, so much the better. Other countries need to export to us if they are going to buy from us.

Trade brings in technology and materials needed to create exports and offers Canadians a wider range of personal choice in purchasing everything from oranges, to cars, to medication. It encourages competitive pricing, creates jobs, stimulates technological advances and promotes more educated societies.

Trade can have its downside — like any opportunity, it involves risk. But there is no question that international trade presents an endless range of win-win situations for those countries with the resolve to compete. As long as the game is played by the rules.



DOES CANADA HAVE WHAT IT TAKES?

Canada used to be known as a commodity-based economy. Grains. Minerals. Timber. Those commodities continue to matter very much to Canada. But while commodities accounted for 65 percent of Canada's exports only two decades ago, they account for just 45 percent now.

Why? Because Canada has developed a much more sophisticated economy in recent decades — a knowledge-based economy. Canada has some of the best educational systems anywhere. Consider this: the 1998 list ranking the top 40 electrical engineering programs in North America featured the names of 18 Canadian universities. Canadian schools produce the kind of know-how that fuels modern hi-tech industries such as our aerospace industry, the fifth largest in the world.

The Global Competitiveness Report ranked Canada first among nations in technological potential. We Canadians can't afford to waste all that potential. Canada's domestic market is simply not large enough to absorb Canada's enormous productive capabilities. We must convert those capabilities into global success — through trade — or we will lose them.