4. There are two strategic, trade-related methods to increase jobs in Canada. One is to replace imports used as intermediate inputs with those which are made in Canada, or at least increase their Canadian value-added. But for governments to attempt to dictate this course would be inconsistent with our international trading obligations in most instances, would likely lead to retaliation against Canadian exports, and could limit our access to cost-competitive inputs needed for down-stream production. Such government-directed import substitution would undermine Canadian competitiveness. The second approach is to provide a domestic and trade policy framework that will encourage greater export competitiveness. Exports have been forecast to grow between four and five percent annually for the next twenty years (DRI). If exports increase by only one percent more each year, within ten years Canada would have generated a minimum of at least 165,000 additional jobs.

5. Compared to job creation in the U.S., Canada generates about 27% less jobs per billion dollars Canadian. The most significant factors explaining this difference are: 1) the amount of imports used in the production of goods for export, and (2) the mix of commodities sold in foreign markets, especially the importance of job-rich high technology production in the U.S. (e.g., the aeronautics industry).