

nations, only the Federal Republic of Germany depends more heavily on foreign trade. For a country like Canada there is no alternative. There can be no "splendid isolation" for us. In the context of the global economy, Canada must face up to foreign competition.

Unfortunately, at the very time when Canada needed all its power to retain its position among the major industrialized nations, its economy went adrift.

The government that I represent is aware of this situation and was elected to correct it. We decided to take the bull by the horns. Our feeling was that a twofold thrust was needed to rebuild the country's power and to restore the confidence of the Canadian public in itself. This would consist of strengthening the economy and reaffirming Canadian sovereignty on the international scene. In our mind, the two were inseparable. Only a prosperous economy can restore our sovereignty to its full significance. In like manner nationalism can affirm itself only when economic security exists.

The Canadian economy has been doing better for some time than most of the other industrialized countries, despite the heavy pressure on our dollar. A recent OECD report shows that we are on the right track. More than 580,000 new jobs have been created over the past 16 months, and the unemployment rate is below ten per cent for the first time in the past four or five years.

The abundance of long-term capital, used to finance the majority of business investments, continues to work in Canada's favour.

Our sovereignty will be exercised fully once our economic health is restored. I am not referring to sovereignty in a limited sense, however important that may be, but to all of the foreign policy activities that can influence the Canadian identity. Of course, this can also include decisions that we have made to affirm our sovereignty in the Arctic.

This sovereignty has been expressed in many ways. The the Prime Minister's involvement in the latest Commonwealth Conference against the South African apartheid policy typifies the Canadian way of helping to resolve conflicts and promote human rights.

The Francophone Summit is an excellent example of Canada's new-found confidence. In the past, the difficulties between Paris, Ottawa and Quebec over Quebec participation in a Francophone Summit could not be resolved. Today this is no longer so, and Quebec now occupies its rightful place.