

I AM DELIGHTED TO HAVE THIS OPPORTUNITY TO SPEAK TO YOU ABOUT THE IMPORTANCE OF TRADE FOR CANADA, ABOUT THE OBJECTIVES WE SEEK THIS YEAR AND WHY.

WHY?

I CAN THINK OF NO GREATER PRIORITY THAN TO INCREASE THE AWARENESS OF CANADIANS TO OUR TREMENDOUS DEPENDENCE ON THE INTERNATIONAL MARKETS OF THE WORLD. OUR EXPORTS ACCOUNT FOR ALMOST 1/3 OF OUR TOTAL GNP. OF THE MAJOR INDUSTRIALIZED COUNTRIES REPRESENTED AT THE ANNUAL ECONOMIC SUMMITS - MOST RECENTLY AT VERSAILLES - NONE IS MORE DEPENDENT THAN CANADA ON THE TRADE DIMENSION FOR ECONOMIC GROWTH. JUST TO ILLUSTRATE, IT IS ESTIMATED THAT MORE THAN 2 MILLION CANADIANS ARE DIRECTLY INVOLVED IN THE PRODUCTION OF GOODS FOR EXPORT - THAT IS 20% OF OUR TOTAL WORK FORCE. OUR MAJOR EXPORT INDUSTRIES ARE ALSO OUR MOST EFFICIENT PRODUCERS. THEY COMMAND THE BEST PROSPECTS FOR FUTURE GROWTH AND, MOST SIGNIFICANTLY, FOR THE GENERATION OF PROFITABLE JOBS FOR CANADIANS.

THE TRADE ENVIRONMENT

WE ALL KNOW THAT THE CURRENT TRADING ENVIRONMENT IS SEVERELY STRAINED. THE PERSISTENCE OF UNPRECEDENTED HIGH INTEREST RATES POSES A MAJOR BURDEN FOR INDUSTRY, CURTAILING PLANS FOR EXPANSION OR ADAPTATION AND THE WHEREWITHAL FOR THE KIND OF PRODUCTIVE INVESTMENT WHICH WILL ENSURE THAT OUR FIRMS REMAIN COMPETITIVE. THERE IS NO QUESTION BUT THAT A GENERAL ECONOMIC RECOVERY - ONE INSPIRED BY GREATER CONFIDENCE IN THE MONEY MARKETS - OFFERS THE MOST FUNDAMENTAL RESPITE TO CONSTRAINTS ON TRADE.

IT HAS OFTEN BEEN SAID THAT WHEN THE U.S.A. ECONOMY CATCHES COLD WE IN CANADA CONTACT PNEUMONIA. OUR CURRENT CIRCUMSTANCE IS DRAMATIC WITNESS TO THAT COMMENTARY. FOR RELIEF WE MUST LOOK TO A RECOVERY IN THE U.S.A. THIS IS NOT TO SUGGEST THAT WE DO NOT HAVE RESPONSIBILITIES AND CHALLENGES TO ADDRESS HERE IN CANADA BUT SIMPLY TO UNDERLINE A VERY OBVIOUS FACT OF LIFE FOR THE CANADIAN ECONOMY. WE KNOW THAT A RECOVERY IN THE U.S.A. WILL PAY IMMEDIATE DIVIDENDS TO OUR OWN ECONOMY. WITH ALMOST 2/3 OF OUR TRADE WITH THE U.S.A. WE KNOW AS WELL THAT IT IS IN TERMS OF TRADE THAT SUCH DIVIDENDS WILL BE MOST VISIBLE.

PROTECTIONIST PRESSURE

WE RECOGNIZE THAT THE INTERNATIONAL TRADING SYSTEM IS NOT PERFECT. AS MY AMERICAN COLLEAGUE THE HON. BILL BROCK PUT IT RECENTLY "NONE OF US IS WITHOUT SIN" IN THAT REGARD. WHILE NEW OPPORTUNITIES HAVE OPENED UP, IMPEDIMENTS REMAIN. WE IN CANADA HAVE FOUND IT NECESSARY TO RETAIN RELATIVELY HIGH LEVELS OF PROTECTION FOR CERTAIN SENSITIVE AREAS OF PRODUCTION.