

Those changes are not confined to one continent. They are occurring everywhere in the trading world, and their effects have the most profound consequences. Part of what is driving Mr. Gorbachev is his recognition that the Soviet economy won't work in this modern world. Changes are occurring everywhere, and the challenge of modern economies is to stay on top of the change. That is a compelling reality for Canada, because we have always depended upon trade to grow, and because we are so open to the world.

Of course we have a choice in Canada. We can choose to ignore what is happening in Asia and in Europe and in the United States. But the price would be to fall steadily behind.

In this climate of world change, the Canadian Government has tried to create a framework of policies within which exporters and other enterprises can play confidently. We are working in harmony with markets, reducing the Government's claim on the economy, lightening the burden of regulation, encouraging foreign investment, and following responsible monetary and fiscal policies.

And the Canadian economy has responded. It has maintained steady growth over the last four years, achieving 3.9 percent real GDP growth last year. Canada's output and employment growth rates led major OECD countries over the past two years. Unemployment has fallen steadily, the balance of trade has remained positive, inflation has been held at tolerable levels, and investment has revived. The Canadian economy has been ahead of the pack. Problems remain, but our fundamental strategy is sound and should enable the economy to respond to the challenges ahead.

Canada's trade policy objective is to seek increased market access. Only through commonly agreed trade rules appropriate to its competitive capabilities can Canada create opportunities for real growth in the future. As exporters, you know that trade policy is not just a matter of tariffs and quotas ... today it touches key domestic issues, including fiscal policy subsidies and countervail, labelling and servicing, investment policy, intellectual property, technology policy, technical and phytosanitary standards - to name but a few. Because of this we must energetically stand and press for the lowering of barriers to trade.