

transportation of cement are such that investment decisions must be made on the basis of regional markets on both sides of the border. These Buy-America restrictions put at risk, directly and indirectly, annual exports valued at some \$20-30 million. We are urging that these restrictions be lifted and are hopeful that Congress will approve proposals which would do just that.

Let me give you another example -- natural gas. We have producers and investors whom we do not want to see put out of business because of a temporary oversupply in the U.S.A. market. While the price of Canadian gas may seem too high now, I wonder whether it is in the long-term interest of the United States to disrupt a long-term mutually beneficial trading relationship in the interest of short-term gain. This is an important Canadian export, but accounts for less than 5 percent of your supply.

We believe that we have clearly demonstrated, through recent price cuts, our interest in remaining competitive as well as our flexibility. Still our producers need assurance of a reasonable rate of return if they are to develop gas resources and build and maintain facilities for export. We would, therefore, be concerned about any legislative action that would jeopardize our producers capacity for delivery over the longer term.

I speak here of Canadian concerns, but I also recognize that the U.S. has an agenda of bilateral issues as well. Let me assure you that your officials bring these to our attention most competently.

As I mentioned earlier, indications are that 1984 may be a difficult year in Canada/United States trade relations. I am, however, confident that we can find ways to contain problems and to improve both the bilateral and multilateral basis for expanded trade.

These efforts should be aided by the strong possibilities for continued steady growth in both our economies. Recovery is the best antidote for protectionism. And sustained growth in the United States, Canada's major market, should contribute to modest export-led growth and recovery in Canada. Current forecasts for Canada are for moderate but sustained growth, in the 4 to 5 percent range, through the end of 1984.

The very positive reaction in both Canada and the United States to the results of the Canadian Government's review of trade policy which I announced just over three months ago, also gives me confidence in our ability to maintain and strengthen our trade and economic ties.