

ensure that Canada continues to see the world whole, and I will do that.

But part of seeing the world whole is to recognize modern economic realities. Canada has to face five facts of life.

First, more than most countries, we are a trading nation. We are three times more dependent on trade than the United States. We cannot escape that reality. Selling Alberta's gas only to Toronto, or Ontario's manufactured products only to Canadian consumers is simply not enough.

Second, we live in a competitive flexible world. Within our lifetime, Japan has gone from toys, to radios, to ship-building, to cars, to high-technology. Now, we find the same phenomenon in different stages in Korea, and Hong Kong and Brazil and Mexico. A potential for similar development is occurring in China, the Philippines, Thailand and India. In another way, the members of the European Community have also adapted to changing reality, by joining together to build and expand their common market.

Third, the terms of trade have been working against the resource base on which Canadian growth has depended. In the 1950s, for example, Canada supplied 90% of the world's nickel, but competition from abroad has cut our share today to a third of that level. And yet we are becoming more - not less - dependent on trade in primary goods, which accounted for a quarter of our trade in 1971, a third in 1981. We have simply not been as fast as our competition in adjusting to a changing world.

Fourth, the United States is our largest market and accounts for over seventy percent of our trade. We sell \$19 billion in cars, trucks and parts to the United States annually, \$4 billion in natural gas, \$3½ billion in oil, \$3 billion in newsprint, and so on. This is the trade market that so many jobs in Canada depend on.

Fifth, protectionism is a growing force around the world and protectionist sentiment is strong in the United States. We have just scraped through with narrow escapes from proposed United States actions to place new restrictions on imports of soft-wood, lumber, steel and copper. Just for a moment, imagine the consequences if the United States decisions had gone the other way. We cannot continue to rely on the existing rules, on diplomatic efforts, and on the balance of United States domestic forces to keep open the vital access our export-oriented economy needs to survive and prosper.

We did not choose these realities, nor do we control them. Japan and Korea did not need our permission to become and remain aggressively competitive. The United Kingdom did not ask our permission to embrace the larger European market and leave the