

IMPORTS IS NOT DUE TO A SIGNIFICANT INCREASE IN OUR EXPORTS, BUT IS RATHER THE RESULT OF THE FACT THAT OUR IMPORTS HAVE DRAMATICALLY FALLEN. THE REASON FOR THIS IS TWOFOLD: FIRST, OUR IMPORTANT EXPORTS OF AGRICULTURAL PRODUCTS ARE LESS RESISTANT TO THE RECESSION THAN ARE THE EXPORTS OF DURABLE GOODS AND MACHINERY AND BECAUSE, IN DIFFICULT TIMES, WE BUY LESS IMPORTED PRODUCTS, WHETHER EQUIPMENT OR PRIMARY MATERIALS REQUIRED BY MANUFACTURERS WHOSE FINISHED PRODUCTS ARE FINDING FEWER BUYERS. WE IMPORT LESS PETROLEUM. HOUSEHOLDS DECIDE TO KEEP THEIR AUTOMOBILE A COUPLE OF YEARS LONGER OR PUT OFF BUYING ONE OR ANOTHER PRODUCT.

THE PROBLEM WITH SUCH A SITUATION AS FAR AS TRADE IS CONCERNED IS THAT MANY PURCHASES, WHICH ARE PUT OFF, WILL INDEED BE MADE AT A LATER DATE, AS RECESSION RESTRAINS OUR ABILITY TO SATISFY SOME OF OUR NEEDS BUT BECOMES LESS FORCEFUL AS RECOVERY TAKES PLACE. ONCE THE STOCK OF PRIMARY MATERIAL HAS BEEN EXHAUSTED, IT MUST BE REPLACED; A USED OR OBSOLETE MACHINE MUST BE REPLACED. AND AS SOON AS THE ECONOMY RESUMES ITS COURSE, THE VOLUME OF OUR IMPORTS WILL QUICKLY RE-ESTABLISH ITSELF. TO OFFSET THIS BOOMERANG EFFECT, IT IS IMPORTANT TO ENSURE THAT OUR EXPORTS GROW AT THE SAME PACE. A NUMBER OF FACTORS COME INTO PLAY HERE AND OUR COMPETITIVE POSITION IS AT TOP OF THE LIST. IN THIS REGARD, AND AS THE PRIME MINISTER EXPLAINED, THE GOVERNMENT BELIEVES THAT ITS POLICY OF SIX AND FIVE PER CENT, WITHOUT BEING A

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