

we exploit these resources to serve a world market. From the beginning of our history, Canadians have invested heavily in capital projects aimed at enhancing our capacity to export. We need to export in order to ensure the efficient development of the economy and to pay for the vast array of imports which give us the high standard of living Canadians now enjoy. We have built railroads, ports, the Seaway, grain elevators, pulp and paper mills, iron ore mines, and base metal smelters to produce, process and transport raw materials for export to markets all over the world.

We have developed a sophisticated and competitive secondary manufacturing capacity based on exports, primarily to the United States, Europe and Asia. Almost 70 percent of the output of the transportation equipment industry is exported, 60 percent of paper and allied industries, 55 percent of the machinery and primary metal industries, and 50 percent of the wood industries. Taking into account the domestic input into further processed goods, over half the goods produced in Canada are eventually exported. Indeed, there are efficient Canadian companies which export 80 to 90 percent of their production. That translates into jobs - thousands of jobs.

While the economic news in recent months has not been good, one series of statistics continues to impress. Canada has now enjoyed a positive merchandise trade balance for 28 consecutive months. In 1980 and 1981 the surplus hit record levels. The 1981 surplus of \$7 billion has already been passed in the first six months of 1982. The trade surplus for this year may reach an unprecedented high of \$16 billion. This is doubly impressive when one realizes that world trade as a whole has stagnated for the past two years. In Canada, while imports are down sharply, the value of exports continue at the same level as last year. When economic recovery occurs in our major markets, we should experience a major spurt in export activity which in turn should help to fuel and sustain economic recovery in Canada.

Numerous times it is said that Canada has a huge deficit in terms of manufactured exports and if you focus on "end products", it is admittedly true. However, if you examine the category of "fabricated products", such as chemicals, newsprint, iron and steel, petroleum and coal products, you will find that Canada had a \$16 billion surplus in 1981. The balance of trade for all manufactured goods has shown considerable improvement in the first eight months of 1982 compared with the position of a year ago. In the first eight months of 1982 there has been an estimated surplus of \$2.9 billion in all manufactured goods compared