

I am delighted to have been asked to address your inaugural conference "Meeting the Global Challenge".

The theme of this conference is a vital and appropriate one for business and government today.

I compliment the International Business Research Centre (IBRC) on its choice of a theme and on its discussion of subjects such as "The Future of the Multilateral Trading System" and "The Challenges and Opportunities for Canadian Business in a Turbulent World". This Conference offers government and the private sector an excellent opportunity to exchange views. I am particularly pleased that the Department of External Affairs was able to assist in the establishment of the IBRC.

I want to focus on a central aspect of "Meeting the Global Challenge - the Management of the Recovery through Cooperation".

Let me first review with you the global economic outlook and then some of the activities which my ministerial colleagues and I have been undertaking - both with other governments and here at home - to meet the "Global Challenge".

In your sessions this morning, you have had an overview of the global outlook and discussions on the international trading and commercial systems. I believe the world economic situation is much improved. The international economic system has weathered the trauma of the recession and proved resilient in coping with severe strains. There have been a number of positive developments:

- the recovery of the North American economy has been well above average for the industrialized economies. The most recent OECD outlook projects 5% real growth for Canada and the United States in 1984, the highest of the Summit countries;
- there have been signs of improvement in the economies of Western Europe and Japan since the Williamsburg Summit in May last year;
- nominal interest rates have moved to much lower levels from their staggering peaks in 1981 and 1982;