

combination of many factors -- by diminishing growth in major world economies, by the rise of protectionism and the uncertainties generated by the large U.S. budgetary and trade deficits, by the high value of the American dollar and by the debt problems of the developing countries. That is a sobering assortment of threats.

As a nation heavily dependent on exports, we have inevitably experienced the adverse trade effects of the recession. The problems facing Canadian companies, furthermore, were accentuated by shifts in exchange rates. While the Canadian currency has fallen in value in relation to the U.S. dollar, it has appreciated against most other currencies, placing Canadian goods at a competitive disadvantage in most offshore markets.

Fortunately for our export performance, both the U.S. recovery and the decline in value of our dollar versus the greenback have led to record exports to the U.S.

In 1983, we in Canada exported more than 90 billion dollars worth of goods and services. That is nearly a third of our gross national product, and fully 73% of it went to the United States. That was an all-time high, but it won't be for long. The volume is still going up. And as it rises, so does Canada's reliance on the United States as a customer for its products.

So we have to pay attention to the States. Any one customer who buys three-quarters of your products is a very important customer indeed. At the same time, we have every intention of improving our performance in the rest of the world -- with our traditional trading partners in Western Europe, in the rapidly expanding markets around the Pacific Rim, and with the second and third worlds.

This government has given top priority to strengthening international trade. Broadly speaking, we intend to move on four fronts.

We intend is to resist protectionism, and keep trade open.

We intend to put a premium on making Canada internationally competitive, encouraging and supporting enterprise, investment and innovation.

We intend to pursue export opportunities, large and small, traditional or new, with renewed vigor. This means a great deal of beefing up, and a certain amount of restructuring