

Canada, like Venezuela, is heavily dependent on trade with the U.S.A. Seventy-eight per cent of our exports and seventy-two per cent of our imports are with that country. We in Canada see such access to the largest single market in the world as an advantage, not a disadvantage. In 1985, the Prime Minister initiated negotiations on a new trade agreement with United States. These negotiations are being undertaken without precondition on either side in an effort to renew, strengthen and secure access to the markets of our largest trading partner. If successful, a trade agreement with the United States will generate growth, greater productivity and specialization within the Canadian economy. Canada will become a richer market for internationally traded goods and services as well as a more competitive supplier to North American and other markets.

This trade initiative is one part of Canada's pursuit of freer world trade. So is our active presence at the GATT ministerial meeting in Punta Del Este next week. So is our effort to improve and develop trade ties with Venezuela and other trading partners.

The world economy is changing. Staggering shocks have been experienced since the early 1970s. We continue to face the dilemma of trying to control inflation and avoid recession. Debt and deficits are a major problem worldwide, but the situation is critical for many developing countries. Markets for commodities have fluctuated widely. Both Canada and Venezuela have ridden the oil price roller coaster. In my own province of Alberta thousands of people have lost their jobs in the oil industry. But in spite of these economic uncertainties our countries have not ignored the plight of those less fortunate than ourselves. In addition to the San Jose facility, Venezuela was the first country to respond to Bolivia's plea for financial assistance. The imaginative arrangement of trading oil for bauxite with Guyana will assist that country to face its economic problems.

Global economic interdependence is a reality which is becoming more widely understood and accepted in all countries. There is broad agreement that domestic policies should contribute to the stability and growth of the world economy, and on the need for increased international cooperation to this end. However, the international economic system is under extreme strain. The shared objective of a more open and free trading system is coming under pressures from protectionist measures and threats.