

The United States is still our most important trading partner, accounting for two out of every three dollars of our exports, and it will continue to be our major market. However, continued protectionist leanings in Congress could limit access to the US market and Canada's trade would suffer considerably as a consequence. In all fairness, I must say that yesterday's decision concerning access for Canadian timber to the American market will dispel some of the uncertainty that existed. However, this does not mean that we will no longer have to increase our exports and to diversify our markets. We started doing this in 1971 with the "third option." More recently, we began the painstaking exercise of seeking out markets of opportunity in the light of our production capacities, and preparing marketing plans for use by firms wishing to pursue these opportunities. To date we have prepared and distributed plans for Mexico, Australia, Korea, Brazil, Norway and Japan. We are currently working on similar plans for France, West Germany, Saudi Arabia and Venezuela. Others will follow. The department has of course produced other studies and documents that might be useful to you, regardless of the area in the world where your activities lead you.

When we consider market diversification, the developing countries should receive our attention, both because of the great capacity to absorb imports of some of them and because of the high growth potential of others. In 1982, for example, Canada's exports to Africa and to Asian countries, other than Japan, increased to \$9.1 billion. This was 12 percent above 1981 levels.

According to World Bank estimates, developing countries will contribute over a quarter of the increase in world production between 1980 and 1990, and will account for nearly 30 percent of the increase in world trade over the same period. As you are aware, investments by newly industrialized nations in infrastructure, industrial plants, social requirements and agricultural developments will provide opportunities to many Canadian exporters.

The Canadian program of aid remains a critical input in support of efforts of less developed countries to promote growth and development. Too often this aid program, which amounts to some \$1.5 billion this year, is seen only to be an expression of our country's generosity, but a loss to the Canadian economy. This is actually not true. The Government's commitment of 0.5 percent of the GNP aid serves both developmental and commercial purposes.

Our aid program is a unique means of opening new markets for our products and technology. In many Third World countries, this same program has carved out a place in the market for Canadian capital equipment. I am thinking, for example, of companies like Bombardier, Marine Industrie and Spar Aerospace. Consulting firms such as SNC, Lavalin,