

In his letter to the leaders of the seven leading economic democracies, last summer, President Gorbachev made clear the U.S.S.R.'S interest in participating fully in the world economic system.

Canada welcomes President Gorbachev's initiative. We support progressive Soviet participation in the international trade and payments system as the reforms of Perestroika create the conditions for success.

We favour cooperation between the U.S.S.R. and the O.E.C.D. And we support exploring observer status for the U.S.S.R. at the G.A.T.T. and, eventually, institutional links, as well.

And we will propose to our Summit colleagues that each year the outgoing Chairman of the Economic Summit discuss with the President of the Soviet Union the insights and strategies that emerge from the Summit meeting.

In his letter, President Gorbachev also stressed the importance of Perestroika to the Soviet Union's economy and to the Soviet union's progressive integration into the world economy.

One of the most effective ways of creating this kind of linkage is the concept of joint ventures with foreign firms, a practice that is well under way, including with Canada.

The economic relationship between Canada and the Soviet Union has been a relatively modest one.

For thirty years, Canada has exported grains to the U.S.S.R. Over time, we have built a relationship of confidence in that trade. The U.S.S.R. has appreciated our reliability as a supplier of high quality wheat and barley. And, we have appreciated the U.S.S.R. as a valued customer that pays its bills in full and on time. School children in Canada know that the Soviet Union is an important wheat market for us.

Our two countries have, also, had a productive relationship in the oil and gas sector. Canadian recovery technology for oil and sour gas is particularly applicable to Soviet conditions.

We have tried to assist Soviet exporters through the Canada - U.S.S.R Trade Task Force to ensure that the Soviet Union increases its exports to Canada. And we hope to cooperate to expand business training in Canada for Soviet managers.

But, regrettably, our economic relationship has remained far below its potential. As northern, Arctic countries and