

This restructuring is of the most fundamental nature - demanding a change in the most basic ways ordinary Soviet people view their world. We are talking of basic concepts like price and cost which are totally natural to those of us raised in the west, but which are still not very familiar to many in the Soviet Union. Increased contacts, exchanges and cooperation through joint ventures will be essential if both sides are to share a common understanding of how to conduct business with each other.

And we are also talking of an understanding of concepts like cost-accounting and business law which contacts between our companies have already begun to develop.

Clearly, it is impossible to underestimate the challenge of the transformation facing the people of the Soviet Union in the months and years ahead. Perseverance and patience will be essential, not only by Soviet citizens, but by Canadian businesses as well.

In sizing up opportunities in the Soviet market, we must also be aware that Canadian firms face intense competition from other foreign firms pursuing the same goals. In particular, you will meet European firms with much greater experience in dealing with Eastern Europe and the USSR. Indeed, Western Europe has been able to develop a more balanced two-way relationship, with European industrial goods and technology helping to develop Soviet mineral and energy resources which were subsequently exported to Europe.

As you know, Canadian-Soviet trade relations in the past has consisted overwhelmingly of Canadian grain exports to the USSR, with modest Soviet imports to Canada. Still, over the past two years, the volume and variety of Soviet exports to Canada have increased almost five times. As the Soviet infrastructure improves, and as Soviet companies increase their knowledge of western marketing, I am confident that Canada can be a significant market for the USSR. In this context, our Trade Task Force continues to be an effective tool of support to Soviet exporters.

Here in Canada, we have long understood the Soviet desire to seek balanced trade on a bilateral basis. And we understand that trade should be a two-way street.