

Let me begin by telling you how pleased I am to be here today. First of all, I have always enjoyed dealing with the concerns of business - I recognize some of you from my days as Minister of State for Small Businesses and Tourism. Secondly, this gives me an opportunity to reaffirm the priority being given to the expansion of trade, both in the government as a whole and in the Department of External Affairs. My recent travels as Minister of State for External Relations have confirmed in my mind that our priorities are correct: the potential for expansion to outside markets is real and considerable for dynamic businesses that have the ability and the know-how to provide innovative products and services at the best price.

I am one of those who believe that it would be extravagant to say that significant bilateral political relations could be developed without the existence of solid trade relations or the possibility of developing them. It was with this in mind that the government decided last year to reorganize the Department of External Affairs. And it is on the basis of this that we always give due importance to our economic and trading interests when we draft foreign policy.

This is a normal course to pursue when one considers the importance of international trade for our country's economy. Canada's merchandise trade surplus remains one of the few bright spots in an economic performance coloured until quite recently by a world recession. Trade provides a basis for investment and employment, two priorities in Canada. One can imagine what our overall performance might have been should this sector have fallen short.

As you know, our exports account for almost one-third of our total GNP. Of the major industrialized countries none is more dependent on foreign trade for its economic well-being than Canada. Trade employs more than 2 million Canadians in the production and distribution of goods for export. In 1982 Canada recorded a record merchandise trade surplus of \$17.8 billion. Significantly, we experienced only a marginal drop in exports in spite of the international recession. There was a large decline in imports, reflecting weak domestic demand. As a result we turned a traditional deficit in manufactured goods into a surplus of \$4.4 billion.

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