

Figures for the first 6 months of 1984 show a trade surplus of \$9.9 billion on a balance of trade basis, and it is possible that the surplus could reach \$20 billion for the year. This increase over 1983 is the result of a combination of lower imports as the Canadian economy slows down. Thus, higher exports, while encouraging, cannot be viewed as entirely positive.

Two conclusions can be drawn. First, it is clear that this country's dependence on the United States as a customer for its products is increasing. Despite efforts to diversify our sales over the years, given our geographic proximity to the United States, and the recent changes in currency values which have made Canadian goods more expensive in almost all other countries, such a dependency may be inevitable, but does not mean that we should not continue to diversify our trade partners and to seek new markets. The fact that the United States is the largest market for our goods is a potential benefit can be taken as a challenge to continue to seek new markets and to diversify our trade partners. The fact that the United States is the largest market for our goods is a potential benefit can be taken as a challenge to continue to seek new markets and to diversify our trade partners.

(\$ billions)

	1983	1982	1981	Change
TOTAL	18.4	18.6	26.3	4.9
U.S.	15.2	9.8	26.3	2.3
E.E.C.	0.9	1.1	2.7	(2.0)
Japan	0.4	1.1	2.7	(2.0)
Other Countries	1.9	1.9	2.7	(2.0)
Change	(1.5)	18.6	26.3	4.9