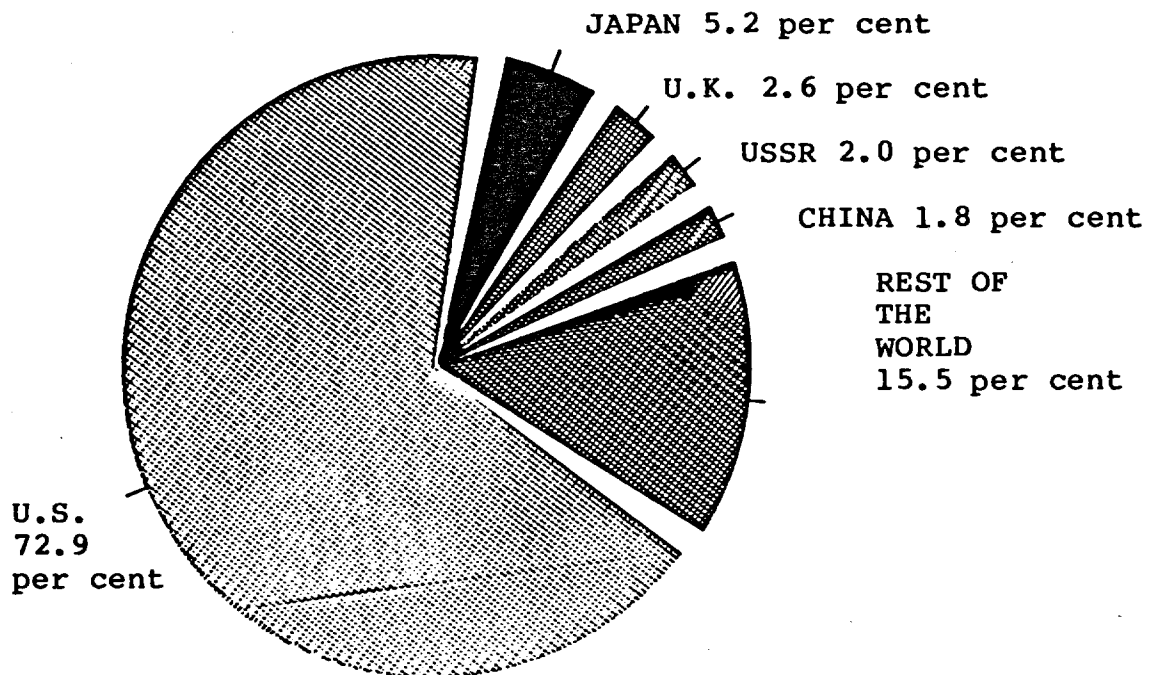


the total of our exports to Europe and Japan. Virtually the whole breadth and range of Canadian production and all regions of Canada are involved in exports to the U.S.. To illustrate:

Canada's Five Largest Export Markets - 1983



20. Many see success in the U.S. as a prerequisite to success in world markets. To meet the challenges and opportunities of this market, we need to draw on the whole range of government export policies and programs: trade promotion, trade negotiations, co-ordinated federal and provincial government, private sector representational efforts, and Canadian and provincial trade offices in the major market areas. As we look to future policies and programs, it is evident that our performance in that market must be at the centre of our interests and preoccupations.

21. Second, there has been a steady decline in our traditional markets in Western Europe. In the early 1960s, Western Europe accounted for 25 per cent of our total exports, concentrated in the agricultural and primary resource industries area. This figure has declined to 8 per cent in part because of slower growth in Europe as compared to North America and the Pacific Rim but also because of increased inter-European trade. Nevertheless, Europe remains a vast and potentially lucrative market for Canadians. Western Europe imports from outside the regional trade bloc are \$375 billion per year. Exports to Western Europe have particular regional importance in Canada, especially for such products as wood pulp, wheat, and certain metals and minerals. There is clearly a need to examine the reasons for our declining share in the Western