

---

and there are the state-trading countries of Eastern Europe and China. Each of these groups of countries, and for that matter each country within these groups, provides its own challenges. Each requires a different approach, depending in part upon the different "mix" of government and private enterprise it has.

Quite clearly, then, to take full advantage of the changing environment ahead dynamic and creative activity on the part of both the Government and the private sector will be needed.

#### Role of Government

How can we — Government and business — work together to ensure that your interests are reflected in what the Government is attempting to do internationally and to help you assume that your investment and commercial dealings take into account these changing realities?

Contacts between the Government and the Canadian business community are, of course, constant and extensive. For example, the Department of Industry, Trade and Commerce maintains its extensive daily contacts with the broad spectrum of Canadian industry, and has recently been very deeply involved with the private sector in the reports of the industrial-sector task forces, whose recommendations are currently under review by the Government. You will also be familiar with the direct assistance provided to Canadian businesses operating abroad by the Export Development Corporation and the Canadian Commercial Corporation. The latter is exploring new ways to assist private-sector activity abroad in response to the increasing global importance of large-scale projects. There have also been increasingly-direct consultations with representatives of Canadian industry on major international economic issues.

The Department of External Affairs also has its role to play. The traditional distinction between foreign policy and domestic policy implies a hard and fast dividing-line that no longer exists — if ever, it did. The increasing range and complexity of the economic issues we face require an "input" by the Department of the Government's policy-formulating process that goes beyond mere co-ordination in Ottawa and the simple representation of the Government's view abroad. It is our job to ensure that the range of Government policies, at home and abroad, reflects the changing international realities I earlier described.

Let me focus now for a few moments on what our multilateral and bilateral diplomatic efforts are intended to achieve for the business community.

With regard to our bilateral economic relations with the United States (by far our largest and most important trading partner), formal government arrangements have rarely been necessary; the links are geographical, cultural and corporate. Although neither country has been without its advocates of closer, more formal arrangements government-to-government contacts have for the most part not been "structured". The role of government is nonetheless extensive in a complex trade and economic relation where we try to manage and contain numerous minor difficulties and irritants on a day-to-day basis. However, because of the nature of the United States' marketing and business practices, and our ability to do business in that market largely without

---