

More than at any other time in recent memory, events over the past year have demonstrated the central importance of international trade and investment to Canada.

In 1994, Canadian exports increased by 21 per cent, reaching \$219 billion. Our annual trade surplus totalled \$17 billion, up almost \$8 billion from 1993. Merchandise trade surpluses with both the United States and Japan increased yet again.

At the same time that Canada was posting such trade records, the Prime Minister was leading the "Trade Team Canada" mission to China – the largest initiative of its kind this country has ever undertaken.

Meanwhile, Canada – with its major trading partners – was putting the NAFTA and the new World Trade Organization into place. We also helped to launch free trade initiatives both in the Americas and in Asia-Pacific. We are now joined with the United States and Mexico in negotiating the early accession of Chile to the NAFTA. And as the European Union has proceeded with its expansion both northward and eastward, the Prime Minister has challenged our European friends also to look westward and to consider free trade with the NAFTA countries.

With the rapid development of trade liberalization, with market barriers being reduced or eliminated regionally and globally, the challenge for the Canadian government and for provincial governments is to help ensure that our companies can take full advantage of the new opportunities that result from freer trade and investment.

Exports now represent more than one third of Canada's GDP [gross domestic product]. Millions of jobs depend on them. Exports have also been the driving force behind our economic recovery. Exports are responsible for much of our robust economic growth.

International trade is just as important for Albertans as it is for all Canadians. In 1994, exports from Alberta reached record levels. Commodity exports rose by \$3.3 billion – a 17 per cent increase over 1993.

Petroleum exports constitute a major part of this remarkable performance here in Alberta and have contributed to Canada's economic growth in general and to our overall trade surplus. However, though resource and commodity exports continue to be important, Alberta, like the rest of Canada, must increase the export of value-added goods and services in order to expand our economy further.

Clearly, we live in a new, more competitive, more liberalized international business environment. We must all adjust to it. Throughout the recent recession, numerous Canadian companies have learned the hard way to become internationally competitive. The