

This measure recognizes that, in the global arena, innovation has become a driving force for market success. Companies must develop new products that meet new consumers needs. They also must develop and apply new technology to increase their productivity and quality in producing existing products and services.

Steady improvement in our competitive position is the challenge facing both Canada and the U.S. Keeping up with the competition means re-examining our governments and businesses from the ground up. Among other things, it will require companies on both sides of the border to turn the principles of total quality management into more than current business management seminar buzz words.

How can we do this? -- by radical surgery on our business and government organizations, investments in people and technology, and by a commitment to quality in delivery of every product and service. That commitment must extend to continual improvement in our products and processes. Some may question such a tremendous investment of leadership, management time and capital. However, I am convinced that keeping up with the Japanese and Germans, let alone the newly industrializing countries of the Asian Pacific Rim, demands more than lip-service to these principles. We must keep up with these economies if we are to remain prosperous in the 1990s and beyond.

Why should we be concerned about keeping up with these economies? Well, they are becoming North America's major trading partners. After all, transpacific trade has now outstripped transatlantic trade with North America. Growth in much of the Asian Pacific Rim is in double digits and the trend of transpacific trade is bound to continue. This presents great opportunities to both our countries as rapidly growing numbers of middle-income consumers seek to build their homes in these countries. On the other hand, if our policies and practices are not transformed to ensure we can keep up with these rapidly growing and ever more competitive countries, we imperil our prosperity.

Another of the perils of doing business in the 1990s is that the targets you have to shoot at keep changing. Whereas growth was the answer to nearly every concern in the past, today you have to deal with the reality of sustainable development, which means that growth is not always the only answer. Not only does this present a critical challenge to business, it presents us all with great new opportunities for turning our technological and management solutions to meeting this challenge into winning competitive strategies.

If we in North America are to keep up with an ever-changing and more competitive global marketplace, we must transform our countries and companies into strong global competitors. The U.S. and Canada are still viewed as safe havens for investment. This is an advantage we cannot afford to squander. We must take