

-- and in the last three years our economy grew at a faster rate than any other major OECD economy;

These are but some of the numbers that reflect the prosperity we have achieved. Other indicators - whether real income investment or others -- have all improved as well.

All this success was based on giving greater play to private economic forces. Contrast the experience of countries that chose to compete and those that chose to cut themselves off from the world trading system. Compare, for instance, the level of economic development and prosperity of closed economies around the world -- Albania in Europe or Burma and North Korea in Asia -- against that of their more open neighbours, whether Switzerland or Thailand or South Korea. Even the great state-trading countries, the U.S.S.R. and China, are drawing closer to the international trade and payments system, and adapting their trading practices to it.

Why? Because they have discovered that even very large economies lose out in growth when they are cut off from global markets, the stimulus of foreign competition, the flux of new ideas and technologies, and the enterprise that accompanies modern investment. Here in Canada we have known for years that innovation and specialization, inspired by international competition, is one key to the success of enterprises big and small.

Forty years of expansion have drawn the world economy together into an interdependent web of trade and financial flows. The last two decades have witnessed an enormous growth in global capital markets, and in flows of technology, know-how and services. As a result, enterprises can now combine resources from a dozen or more countries in delivering complex products and services to your door, financed by savings from around the world.

The Chairman of the U.S. Presidential Task Force on Market Mechanisms said in his report following the October 11 stock market crash: "The communications networks of four key data providers alone cover over 100,000 equities, connect over 110 exchanges and include 300,000 terminals in over 110 countries". Just think about that.

All of us as customers have come to rely on foreign goods for the good life we lead, from Japanese VCRs to microchips to tropical fruit in mid-winter. The advantages of global interdependence are so obvious that we are inclined to take them for granted.

But the stresses and strains of interdependence have also grown with the passage of time. These problems preoccupy governments in every country, and Canada more than most.