

But we in Canada have some catching up to do. We spent most of the seventies and part of the eighties procrastinating about our economy. We invested too little in research and development. We paid too little attention to improving productivity. We put off hard decisions. We refused even to suck the bullet, much less bite it. And while we temporized, our competitiveness eroded -- and our share of world trade declined. In 1968, for example, Canada ranked fourth among the world's trading nations, just ahead of Japan. We've now dropped to eighth and Japan exports twice as much as we do.

We are a country whose prosperity has always been dependent on trade. Our only real alternative is to regain our competitive edge, and to keep the doors to trade open, indeed open them wider.

And that is what this government is attempting to do. We're encouraging investment to put the bite back in our industry. And we are operating on three main trade fronts -- the United States, the Pacific Rim and the GATT -- to open more doors.

This is not the only trading course we could have chosen. There are two other options, options that some Canadians would urge us to choose. We could do nothing except fight the brush fires that keep breaking out. Or we could slip backwards into protectionism, hiding inside Fortress Canada, and let the world pass us by.

But doing nothing leads nowhere, and we simply cannot afford to let the world pass us by. If we did, we would become a backwater, our economy would stagnate, jobs would dry up, and our

living standards would sink to intolerable levels.

How intolerable? Two of Canada's foremost economists, Richard Lipsey and Murray Smith, present one possibility that is highly disturbing to many Canadians. It runs as follows, and I quote: "Canada could find its living standards so low relative to those in the United States that subsidies to Canadian cultural activities would be dismissed as overly expensive luxuries, and people would begin to ask if the economic cost of a politically independent Canada was just too high."

Let me take this thought a bit further. In this country, our cultural sovereignty and social programs depend on our capacity to sustain economic growth, and that is directly linked to our ability to trade. Only a strong economy can guarantee the cultural institutions that give us our unique Canadian identity. As publishers, you know this first hand. When the economy is weak, your advertising revenue is diminished, and as it sinks so does your editorial budget.

It also follows that only a strong economy will allow us to support our health care, our unemployment insurance programs, our regional equalization payments. If our economy were weak, our social programs would surely suffer and our cultural sovereignty would be less resilient. We might, as Richard Lipsey and Murray Smith suggested, start to wonder: what price Canada?

That, I suggest, is a question we should never have to ask. The Government of Canada has set a course so that we never will.