

competitive space," as the Conference Board has called it, is 360-million people strong. The North American market alone is bigger than the New Europe of 12 nations. And Mexico also presents a great opportunity for Albertans on the services side of the petroleum industry.

I believe that Canadians are supportive of our economic policies, provided they see positive results. And on all the evidence, we are delivering results: on deficit reduction; on investment; on privatization; on fiscal reforms; on trade. No single policy can be viewed in isolation. Each is part of a coherent and comprehensive economic plan. Nor is any single policy going to assure our long-term prosperity. It is a question of getting all the fundamentals right, something we've been working at since we took office seven years ago. We have undertaken a fundamental restructuring and updating of the Canadian economy, to transform the sluggish economy we inherited in the 1980s to a dynamic market economy for the 1990s.

Somebody has said that Canada lived for the first 100 years off its resources, and for the next 20 years off its credit, and that from now on we'll have to live on our brains, our initiative, our entrepreneurship -- and our markets. The simple fact is that we're a trading nation. This country was carved out of the wilderness by traders, and our economy, from the days of the timber and fur trade, has been built on foreign markets. We export over 25 per cent of our output. That's about twice as much, on a percentage basis, as Japan, and about two-and-a-half times as much as the United States, and they are the world's two leading industrial powers. In the G-7, the most developed nations of the world, only Germany is more reliant on trade for its standard of living than Canada.

Alberta is a mirror of the Canadian economy in that about 25 per cent of the provincial gross domestic product (GDP) is exported, and about 75 per cent of those exports go to the U.S. Our standard of living depends on our markets. Our markets depend on our competitiveness. Our competitiveness depends largely on our productivity, increasing our use of export opportunities, increasing the quality of our goods, and doing so at a competitive price. And let's be clear: being competitive doesn't only mean working hard -- Canadians already do that -- it also means working smarter. It works the other way, too. When we lose our competitive edge, we lose markets, which results in a lower standard of living.

Our prosperity depends in large measure on the reputation of the Canadian trademark: "Made in Canada." The competition is tough, and getting tougher all the time. Canada does well on a world-competitive scale, but if we are to thrive, as well as survive, we have to do better.