

In the international orientation of our economy, we ranked 16th out of the 23. In terms of science and technology, we ranked 17th.

The picture that this paints is of a nation that has grown rich on its natural resources. It has used that wealth to create a high level of social services.

But it has not always reinvested its wealth to ensure that the prosperity will continue. Prosperity that will depend upon the skills of our people. Prosperity that will depend on high levels of productivity. Prosperity that will depend on our ability to apply innovative technologies to our industries.

The government takes these warning signals very seriously, and is preparing, at home and abroad, to address them head on. Where we have done well in the past -- as in trade, for example -- we will continue to work to build on our strengths. Where there is need for improvement, we will find the solutions.

Let me talk first about trade. Trade built Canada -- whether the export was fish or furs, timber or wheat, autos or engineering services and telecommunications. Trade has kept food on our tables, clothes on our backs for over 300 years. Trade has helped build the high standard of living and the enviable social safety net we enjoy today.

Canada earns more than 25 per cent of its income from exports. This is two-thirds more than in the case of Japan, and more than double the comparable U.S. figure. Trade is our blood.

Today, the whole world is trading. Competition is tough. We did not make it that way and we cannot wish it away. A failure to trade is a failure to compete. And the inability to compete would mean failure in trade. That is a circle that cannot be broken. It is a reality we cannot ignore.

Speaking here in Chicago, at the Walter E. Heller College of Business Administration of Roosevelt University, in November 1986, I said the following:

"Improving and securing access to export markets is another key thrust in our strategy. Because of Canada's relatively small domestic market, competing in the world trading market is a crucial challenge if our economy is to expand and prosper. We are confident that our trade negotiations with the U.S. will produce an arrangement that is mutually beneficial. At the same time, we are working to improve our multilateral trade opportunities."

I meant it in 1986, and if you update it by adding Mexico, I'll say the same again today. Let me quote myself briefly once more: