

Good afternoon. I want to talk today about the changes we must make in the 1990s so our country will keep up with the competition. We must change -- and change soon and over the long term -- to hold our position as one of the world's leading economies and to maintain our high standard of living.

The brutal fact is that we aren't keeping up with the changing global economy. Canada is a trading nation. Few industrialized countries export more than 25 per cent of everything they produce, as we do. But we're losing ground. While world trade has doubled in the last eight years, our share has slipped to 4.2 per cent from 5.1 per cent -- the steepest decline of market share of any of the Group of Seven nations, according to the Canadian Labour Market and Productivity Centre.

We put our economic faith in our natural resources. Our share of the world's resource-dependent trade almost doubled to 9.5 per cent in 1989 from 5 per cent in 1978. At the same time, our share of world trade in non-resources fell. In 1985, nearly half of Canada's exports weren't resources, and that gave us a 3.4 per cent share of the world's non-resources trade. By 1989, only one third of our exports were non-resource commodities, and they had only a 2.7 per cent share of the world's non-resource trade.

We can't go on relying on our natural resources for prosperity. When I was in Japan in November, I was told that they do not regard natural resources as a competitive advantage. "We can buy them anywhere," they say.

Our future prosperity is with non-resource trading. Too few Canadian companies are exporters. Harvard professor Michael Porter's study of Canadian competitiveness, released in October, found that Canada's top 50 industries produce more than one fifth of all Canada's exports. Of those 50 companies, 35 produce unprocessed or modestly processed natural resources.

Of the 40,000 Canadian manufacturers, only about one third export at all -- even though the Canada-United States Free Trade Agreement has secured the biggest two-way trading relationship in world history.

For those who do export -- and who work at developing export markets -- success follows. Comnetix Computer Systems in Mississauga exports 40 per cent of its production of software for law enforcement agencies. Comnetix exports to Costa Rica, Hong Kong, Mexico and the U.S. In March, Comnetix is building export opportunities by holding an international law enforcement seminar in Singapore for police officials from 10 Asia-Pacific countries.

Canexa Trading Corporation Ltd., a Toronto company, has found opportunities in Iran, Kuwait, Saudi Arabia, South America and Turkey, supplying Canadian goods to small- and medium-sized high-tech industries.