

These are all challenges of adaptation -- and we should not underestimate them. But there is no reason either for pessimism. Canada didn't make it to the ranks of the Group of Seven leading industrialized countries (G-7) by doing the same old things in the same old way, decade after decade. Our history is one of keeping up with change.

If you've been watching, you know we're doing it still.

In terms of leading-edge growth, there has been a constant evolution in the structure of industrialized economies throughout this century. The commodity economy gave up leadership to the mass-manufacturing economy. That in turn gave way to the high-technology, knowledge-based economy, which is where we are today. Its mainstay sectors include computers, semiconductors, health and medical services, telecommunications and instrumentation. These are the engines of the new economy. That is where the most dynamic growth is coming from. The good news is that Canada is not only part of this new economy but a leader in converting to it.

I'm not at all sure that Canadians understand the extent of this transformation. In fact, I could point to examples of this lack of understanding on any nightly news broadcast. Editors reflect the bias of their viewers when they show manufacturing assembly lines as the background to stories about the economy.

The fact is over 71 per cent of Canadians don't work in manufacturing or agriculture or construction: they work in the service industry. That industry includes everything from the neighbourhood pharmacist to ecologists. The service industry is home to most of the knowledge-based economy.

The knowledge-based economy includes many manufacturing firms, but most knowledge industries can be found in the services sector. Yet many popular commentators dismiss increases in the services sector employment as merely hamburger-flipping jobs. The fact is that most of the job growth in the last 30 years has been in services -- a trend that is unlikely to change in the future.

The services sector boasts most of Canada's knowledge workers of today. They are their companies' greatest assets. But they are also key to our prosperity because their knowledge-based value added is the foundation of competitiveness in the goods-producing sector. Their knowledge makes possible the design, marketing, distribution and even disposal of all the goods now produced by the manufacturing and food processing sectors. They make it possible for our manufacturers to compete on the basis of distinctive design, quality and service, rather than simply on price. This in turn helps them to command higher prices for their goods. Yet many Canadians still nurture the view that jobs