

Good afternoon, ladies and gentlemen.

I welcome this opportunity to speak to men and women with such an important, co-operative role in building Canada's prosperity. I want to talk to you about the natural partnership of post-secondary learning institutions and business in preserving and improving Canadian competitiveness in a knowledge-based international trade environment.

This is a new era, and Canada must approach this new era the way Wayne Gretzky plays hockey: by skating to where the puck is going to be, not to where the puck is.

The federal government's priority is to persuade Canadians that prosperity depends on skating to where the puck is going to be and to help Canadians make the changes we must make, to keep skating to where the puck is going to be.

We have to look no further than the 1992 World Competitiveness Report to see that we must change. In 1991, Canada ranked fifth in the survey; the 1992 report, released in late June, ranks Canada 11th. The impact of the recession on our economic performance partly explains why the North American economies have slipped behind our competitors. Now that growth has returned to our economy, we should see better rankings next year. However, the factors which contributed to our slipping competitive abilities contains reason for concern and for action.

Why? Because, disturbing as our competitiveness ranking is, Canada fares even less well in two components used for the rankings: internationalization and science and technology. Among the reasons for Canada's poor ranking of 17th in internationalization and in science and technology are:

we are lagging in trade in services,

we rely too heavily on three export markets, and

we don't invest enough in the natural resources of the next century: knowledge, information and applied technology. More Canadian executives said their companies would cut research and development (R&D) spending over the next two years than executives in any other country.

It is clear that we are not moving to where the puck is going to be in international trade. Canadians must start moving to where the 10 countries ahead of us in the competitiveness ranking are.

If we do not move to where our competitors are, and to where our competitors are moving, then we will surely fail to live up to the promise of Canada. We will be unable to build a society that combines caring and fairness with abundant economic opportunity. We will not be able to continue to build the kind of caring society that reflects the Canadian character.