

here at home before exporting it. We are now very exposed to low-cost suppliers, substitution and commodity price swings.

I was told in Japan recently that they do not regard natural resources as a competitive advantage. "We can buy them anywhere," they say. Our challenge now is to use our resources, not as a commodity, but as a foundation for adding value and creating better jobs in Canada. That means constantly upgrading our technology and through that, our competitive advantage. A question we need to ask during these consultations is how can we change our attitude towards resources from being cash cows that we milk, to industries that can generate a real capacity for producing more sophisticated value-added products?

I have focused on the resource sectors, but the same questions must be asked of all sectors -- be they tradeable goods or services. How can we upgrade and how can we create an environment where we relentlessly push ourselves to add more value and to innovate and upgrade the quality of our products and services? This is essential to strengthening our domestic market, as well as to compete with imports and to win export business against other companies that are dedicated to success.

In short, how is your industry or your company going to improve its productivity growth? What do our companies have to do individually? What do your industry associations have to do? What do governments have to do? And how can partnerships help this process?

The formation of the Canadian Steel Trade and Employment Congress (CSTEC) is an excellent example of how the partnership of labour and management in an industry can work together towards a common goal -- the upgrading of skills in the steel industry. What government can resist when these groups get together? That is the power of partnership.

The success of CSTEC has recently been mirrored in the formation of a new partnership for training -- The Canadian Labour Force Development Board (CLFDB). We need to build on the experience gained in creating the CLFDB to facilitate the development of effective partnerships. The Board will help all stakeholders to develop new approaches to skills development. Some may say its more important to reform our schools; others may say we should import the skills we need and not make heavy investments in retraining. Many complain about the quality of recruits to the existing apprenticeship programs -- how do we attract better prepared candidates? What is the most appropriate training strategy?

I think it is time that Canada took a hard look at another type of partnership -- its industry associations. Our competitors see their industry associations as a source of common business