

THE NEW ENVIRONMENT WILL NATURALLY POSE A NUMBER OF SUPPLEMENTARY CHALLENGES TO THE ENTREPRENEURIAL SKILLS AND MANAGERIAL TALENTS OF CANADIAN INDUSTRY. INDEPENDENT CANADIAN MANUFACTURERS MAY HAVE TO BECOME MORE OUTWARD-LOOKING; LARGE INTERNATIONAL CORPORATIONS WITH BRANCH PLANTS IN CANADA WILL, I TRUST, TAKE ADVANTAGE OF THE COST REDUCTIONS IMPLICIT IN TARIFF CUTS AND NEW EXPORT OPPORTUNITIES TO BECOME MORE SPECIALIZED IN THEIR CANADIAN PRODUCTION, AND TO INTEGRATE THEIR CANADIAN OPERATIONS MORE EFFECTIVELY INTO THEIR GLOBAL PRODUCTION AND MARKETING ACTIVITIES.

THE INTERNATIONAL SIDE, THOUGH IMPORTANT, IS HOWEVER ONLY ONE FEATURE OF THE FRAMEWORK WITHIN WHICH CANADIAN BUSINESS HAS TO OPERATE AND IN WHICH INVESTMENT DECISIONS HAVE TO BE MADE. AN EQUALLY AND PROBABLY MORE IMPORTANT DIMENSION IS THE REGULATORY, TAX AND GOVERNMENT POLICY ENVIRONMENT GENERALLY HERE IN CANADA. IN THIS CONTEXT, GOVERNMENTS, AT BOTH FEDERAL AND PROVINCIAL LEVELS, SEEM TO BE RECOGNIZING MORE AND MORE THE NEED TO ENSURE THAT THE BURDENS THEY MAY HAVE TO IMPOSE ON THE PRIVATE SECTOR ARE NOT SUCH AS UNNECESSARILY TO INHIBIT THE PROCESS OF WEALTH CREATION.

CLIMATE AND GEOGRAPHY ARE THINGS THAT CANNOT BE CHANGED BY GOVERNMENT, BUT CAN CREATE PROBLEMS AND ADDITIONAL COSTS WHICH, ALTHOUGH SIGNIFICANT, ARE NOT NECESSARILY UNIQUE TO CANADA. IT SHOULD BE REMEMBERED THAT NOT ALL THE GEOGRAPHIC FEATURES OF OUR ECONOMY ARE NEGATIVE. MOST CANADIAN INDUSTRY IS ADJACENT TO THE RICHEST, MOST PROSPEROUS, MOST CONSUMER ORIENTED AND OPEN MARKET IN THE WORLD. THE RICHNESS OF OUR ENERGY BASE IS ENVIED; WE HAVE SPECIAL EXPERIENCE AND EXPERTISE IN MEETING THE NEEDS OF A SMALL POPULATION SPREAD OVER A LARGE AREA IN DIFFICULT CLIMATIC CONDITIONS. ALL THESE ARE POSITIVE FACTORS, AND THERE ARE MANY OTHERS. IN THE PAST, WE