

I am pleased to address this conference in "Opportunities and Challenges - Making Free Trade Work for You" because it is time we move away in earnest from the emotions of the earlier debates on free trade and get on with the business of the day, which is making it work.

The real question for Canadians today is how we make the most of our opportunities in a rapidly changing world.

That change is everywhere - in world politics, world economics, the new care we take of our air and water.

Some of the change is particularly interesting. In Europe, countries that fought one another for centuries are forming a unified single market. In the Soviet Union, economics replace ideology in that powerful nation's decisions. As peace breaks out, all over the world, economic strength has become a real alternative to military might in influencing global developments.

Canada has always been a trading nation

- but now we are in a world in which more countries are competitive with us, and more markets are open to us. We are at the crossroads of three major trading and economic powers - the U.S., Europe, and the Pacific. Each is being transformed, as they adjust to global political, social, economic and technological changes.

What are these changes?

First, the premium today is on innovation. Ideas are now the passport to prosperity.

Technology has become the driving force of the international economy in this post industrial era. High technology industries and our universities are the foundation of long term economic strength and influence.

Second, a new competitive situation is emerging.

Natural resources, long considered synonymous with economic power, are taking a progressively smaller proportion of the world's income. New economic powers are emerging.

Third, capital has become more mobile, moving, literally, at the speed of light. As barriers to financial flows go down, a worldwide capital market is emerging.

Fourth, new business practices and consumer tastes demand specialization in a world where product life is calculated in months, not years.