

It's a world where a truly global economy now exists, linked by instant communications. A world in which no national economy can remain an island unto itself. A world where all countries must meet their international needs, no matter how inconvenient. Not just their domestic wants, no matter how desirable.

It is a world where neither countries nor companies can run and hide from the consequences of their actions.

And it's a world that is not only growing smaller, but faster every day.

In 1984, when my colleagues and I first came to office, we recognized what this new reality meant for Canada.

It meant we had to change.

It meant that if we wanted to maintain our standard of living, we had to become internationally competitive producers of value-added goods and services - not just natural resources.

It meant we had to decentralize power in our society so that more decisions could be taken on a timely basis by individuals and firms - not distant bureaucrats and regulators.

And it meant we had to reform a wide range of obsolete and counterproductive public policies.

As you know, that's exactly what we did in our first mandate - in policies ranging from transportation to trade.

And the plan worked.

In 1984, the World Economic Forum of Switzerland judged Canada eleventh among nations in terms of international competitiveness.

In 1989, we rank fourth.

Proof that we must have done something right.