

Soviet Union. It is in both side's interest that it succeed.

Some two hundred leading Canadian business people are in Moscow with me to meet their Soviet counterparts. Prime Minister, you and I can talk about reform. But they are anxious to help bring it about, contributing not only investment, but technology and skills, and practical experience in meeting the kinds of economic challenge the Soviet Union faces.

During our visit here, numerous private agreements will be initiated, and others concluded, joint ventures worth as much as a billion dollars, or more.

These projects will bring technological and managerial benefits to the U.S.S.R. and enhance the competitiveness of both sides in the process.

Competitiveness is crucial to the development of modern economies. International trade is growing twice as fast as world output.

No country can afford, anymore, to stand apart from the international economy. None can prosper, anymore, exclusively within its own borders.

Protectionism and isolation are prescriptions for decline. They cut nations off from the stimulation of competition with the result, over the long term, of loss of ground in the living standards of their peoples.

All nations have to make themselves competitive, if not out of choice, then certainly out of necessity.

In Canada, over the last five years, we have begun to undertake our own form of Perestroika -- free trade, tax reform, deregulation, privatization, deficit reduction -- to assure our own competitiveness and growth in the 1990's and into the 21st century.

And, in fact, the results have been gratifying: in the last five years Canada's economic growth has been a very close second to Japan as the world leader among industrialized nations.

We do have a very successful economy but we also have our own problems. We have learned some lessons, and learned some of them the hard way.

In the past, it was said that trade followed the flag. We have learned that in the contemporary world trade follows investment and technical excellence -- the capacity to supply a