

in more than 15 years there was a positive inflow of net direct investment. The Royal Bank, the country's largest financial institution, concludes this turnaround suggests "that overseas investors see Canada as an increasingly attractive base for their North American operations."

The automotive industry knows this. In Ontario, over the last five years it has invested nearly \$10 billion in new plant and equipment -- what a tribute to our capacity to attract investment and compete. I recognize that the restructuring of the automotive sector has caused some disruption recently. There have also been significant investments in this region by Toyota and GM Suzuki. So the long-term economic picture in this region is certainly not as gloomy as the current headlines paint. However, if we are going to secure our future prosperity, we need to equip ourselves with the means to compete in an ever-changing marketplace. For this reason, the government undertook a fundamental restructuring and updating of the Canadian economy, to transform the sluggish economy we inherited in the 1980s to a dynamic market economy for the 1990s.

I believe that Canadians are supportive of our economic policies, provided they see positive results. And on all the evidence, we are delivering results: on deficit reduction; on investment; on privatization; on fiscal reforms; on trade. No single policy can be viewed in isolation. Each is part of a coherent and comprehensive economic plan. Nor is any single policy going to assure our long-term prosperity. It is a question of getting all the fundamentals right, something we've been working at since we took office seven years ago.

Somebody has said that Canada lived for the first 100 years off its resources, and for the next 20 years off its credit, and that from now on we'll have to live on our brains, our initiative, our entrepreneurship -- and our markets. The simple fact is that we're a trading nation. This country was carved out of the wilderness by traders, and our economy, from the days of the timber and fur trade, has been built on foreign markets. We export over 25 per cent of our output. That's about twice as much, on a percentage basis, as Japan and about two-and-a-half times as much as the United States, and they are the world's two leading industrial powers. Among the G-7, the most developed nations of the world, only Germany relies more on trade for its standard of living than Canada.

Ontario's economy mirrors Canada's overall economy; exports account for over 25 per cent of the provincial GDP, with 85 per cent of these going to the U.S. Our standard of living depends on our markets. Our markets depend on our competitiveness. Our competitiveness depends largely on our productivity, increasing our use of export opportunities, increasing the quality of our goods, and doing so at a competitive price. And let's be clear,