

Minister of Industry,
Science and Technology and
Minister for International Trade



Ministre de l'Industrie, des
Sciences et de la Technologie et
ministre du Commerce extérieur

Statement

Déclaration

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STATEMENT BY

THE HONOURABLE MICHAEL H. WILSON,

MINISTER OF INDUSTRY, SCIENCE AND TECHNOLOGY AND

MINISTER FOR INTERNATIONAL TRADE,

ON THE TABLING OF A DISCUSSION PAPER:

"PROSPERITY THROUGH COMPETITIVENESS"

**OTTAWA, Ontario
October 29, 1991**

Mr. Speaker,

Canadians today are perplexed and confused.

On the one hand, they read in the papers that a recent UN study has ranked Canada as having the second-highest quality of life in the world. We also have the second-highest standard of living. They hear on the news that the World Economic Forum in Geneva has placed Canada fifth among the countries of the world in global competitiveness, and this all sounds like good news.

But in too many cases, Mr. Speaker, those same Canadians are discovering from their own personal experience that all is not so well.

The parents whose child dropped out of high school last week may be disappointed. And knowing that 30 per cent of Canadian children drop out before completing high school -- one of the highest rates in the world -- is no consolation. But knowing that over 60 per cent of new jobs to be created in the next 10 years will require at least a high school education would really upset them.

So which of these views is right? Are we doing well, or are we in trouble? The answer, Mr. Speaker, is that both views are right.

There is no question that over the last 124 years, Canadians have built a strong, dynamic and prosperous country, and it shows in our standard of living, our health systems, our export performance and in many other ways. But, that is only one part of the story -- a snapshot assessment in an evolving world.

The global environment is changing before our very eyes, and our productivity just isn't keeping pace. It isn't growing as fast as it used to, and it isn't gaining as fast as our competitors'. And this is the other side of the story, which shows up in its own, more negative way.

The young scientist just out of university is angry and frustrated that he cannot find a job. Like thousands of our young people, he is talented and has worked hard. But with only 4 Canadian manufacturing firms out of 100 doing any research and development (R&D), his talent and hard work may not find the outlet they deserve.

The young factory worker is worried as she sees her friends laid off and her own shifts shortened. She doesn't want to go on unemployment insurance, but she's probably working for one of those 50 per cent-plus of Canadian manufacturers using not one of the 22 leading manufacturing technologies essential to success in the 1990s. As their productivity falls behind, they lose orders and she and her friends lose their jobs.

The young couple about to have their first child aren't quite sure why they are having trouble making ends meet on two incomes, when their parents lived comfortably on one. The reason is quite simply that their companies cannot afford to pay them more, because the companies' productivity will not allow them to do so.

Productivity is the heart of this issue, Mr. Speaker, and is essential to our prosperity. It supports our way of life; it puts food on our tables, schools and hospitals in our communities, roads across our great country, and pay cheques in our pockets. But in order to be more productive, we first have to upgrade virtually every component of our economy. And in order to do that, we have to learn to innovate, to work smarter and faster, instead of harder and longer.

And that is why we are here today, Mr. Speaker. We must find a way, as a nation, to improve our productivity. The old ways, which served us well, are no longer working. We must change the way we think, the way we work and the way we work together, as a country and a people.

To be sure, Mr. Speaker, some companies are doing what needs to be done. They are ploughing back their profits into productive new investment, they're spending on R&D, and introducing sophisticated new equipment.

And so too are many individuals, who are not only seeking, but actually making new opportunities for themselves, upgrading their skills, exploring new challenges and, in a word, adapting to the changing world around them.

But too many of us are simply not changing far enough, or fast enough, to keep up with the global pacesetters for much longer. The underlying causes of this state of affairs are far beyond the capacity of government -- any government -- to turn around on its own.

The Speech from the Throne, in May, put on record the government's intention to invite all Canadians "to participate in fashioning a new agenda for prosperity," to tell us what we must change, in order to compete and win in the world. Over the summer, the initial response of Canadians has been clear: take action, but consult us first!

For these reasons, Mr. Speaker, I am pleased to inform the House of Commons that the government is today instituting a comprehensive consultation process to be managed by a National Steering Committee, and designed to elicit from all sectors of Canadian society the solutions to the challenges now confronting us.

I am particularly delighted to announce that two very distinguished Canadians, Mr. David Robert McCamus and Mme. Marie-Josée Drouin, have agreed to act as co-chairpersons of the Steering Committee, in its tasks of managing the public consultations and developing a plan of action.

The Steering Group will be made up of representatives from the business, academic, labour and scientific communities, as well as leading economic and social organizations. The Group will consult communities across the country, as well as provincial governments and other national organizations. In addition, it will benefit from specific industry discussions conducted by Cabinet Ministers.

Mr. Speaker, I am pleased also to table a discussion paper, entitled Prosperity through Competitiveness. This, together with a companion paper that my colleague, the Minister of Employment and Immigration, will be tabling in a few minutes, will serve as a focus for these consultations.

Together, the papers identify areas in which we must improve so we can compete effectively, efficiently and profitably. Each area -- learning, science and technology, investment, domestic markets, and trade -- is important. None of the components of the Prosperity Initiative is revolutionary. But they are the nuts and bolts of the country's economy. Because time is of the essence, I have asked the Steering Group to complete its consultations by mid-year, and to produce its final action plan by the end of next summer.

The change that is needed must not be a quick fix. The competitive challenge can only be met by systematic, not piecemeal changes; sustained, not sporadic commitment to compete with the best in the world.

Canadians may have to change the way they think -- all of us, from the cabinet maker to the Cabinet Minister -- if we can ever hope to change the way we act. Because how we act is the real test of how productive we are going to be. And we can't sustain our standard of living unless we strengthen our ability to compete.

Whatever plan of action results from this process we are launching today, it will be important that as a country, we strike while the iron is hot, that we act on our plan quickly and collectively while we are still able to do so from a position of relative strength and prosperity, with the capacity to generate wealth to support the changes that are needed.

It's time for us to maximize our use of something we actually have in abundance: our ingenuity. Millions of Canadians can still remember when Canadians had the best hockey teams in the

world. Year in, year out, Canadians took for granted that their teams would come home with lopsided victories. Then in the 1960s, someone from 11,000 kilometres away figured out how to beat us. They changed the way our game was played. They out-skated and out-shot us. They beat us too ... and kept beating us until we learned how to innovate, how to adapt, how to upgrade and how to outsmart them. And now we are winning again because we have changed. Winning again, but not all the time; competition is tougher today than it was in the 1960s. But we have built our team back to being among the best, and we can remain among the best if we continue to innovate and improve.

As a country we are like our hockey team. We spent our first 100 years living off our resources, and we beat the competition easily. For the next 20 years we lived off our credit, and found we were slipping. Now we have to demonstrate that we can recover our position off the ice as well as on it.

Our history tells us that we can, and individual companies are showing every day that indeed we can, by innovating and upgrading. Now we have to do the same as a country. Whenever we have put our minds to a problem, we have licked it. I have said this morning that we have something to be concerned about Mr. Speaker, and we have. I am reassured by the knowledge that when Canadians roll up their sleeves, the job gets done. I know we can do it.

Thank you, Mr. Speaker.