

why we've asked you to lead a consultative process with your industry sector.

Some take the simplistic approach to fixing our competitive position; "just devalue the dollar and cut taxes," they say, but I think you all know that simple, short-term fixes will only mask the real competitive challenges. Worse, they may delay our taking more fundamental actions to meet those challenges. And to do so we must work together to overcome the current pressures which cloud our long-term prospects for prosperity.

Governments have a key role to play and we must accept that responsibility. We must maintain a sound economic environment by controlling deficits and inflation and by encouraging savings and investment, and we must reduce interprovincial trade barriers. We have a clear responsibility to encourage training and research and development. Our regulatory and procurement policies are important factors in competitiveness. These must all be part of a response to our competitiveness challenge. We will be reviewing these policies as part of the Prosperity Initiative, and I would expect you and others to give us advice on how we should respond.

With these challenges and objectives in mind, I recently met with my provincial counterparts to speed up the process of removing internal trade barriers. In addition, competitiveness impact assessments must now accompany every measure put forward for Cabinet decision, so that we can take into account the competitive impact in our decision-making. We have asked the Economic Council of Canada to do a study of the burden of government, in terms of both taxation and regulation and their impact on the competitiveness of the Canadian private sector. But the competitive environment is not only affected by the public sector.

The reality is that we cannot afford to wait for public-sector action to change the environment. The competitive challenge is just too pressing. That is why I urge you all to focus on what action your companies, industries and sectors must take immediately, and over this decade, to meet the competitive challenges. Moreover, I count on your support to ensure that the plan of action developed through these consultations is implemented and that progress is continually monitored.

If the Prosperity Initiative is to be successful, Canadians need to use it as an opportunity for a critical self-examination -- an examination that includes an honest assessment of the competitive ability of each of your sectors and of what government can do, or should not do, in order to enhance Canada's competitiveness. Let's not make the mistake of thinking that this is an exercise in criticizing everyone else and saying, "I'm alright, Jack." Nothing will be accomplished from such an attitude. In fact,