

We can also learn from what Japan has done. Last November, I led a business mission to Japan. During the mission, I chaired the Forum on Prosperity. The Canadian mission members, representing five sectors where we have significant trade with Japan, and a group of influential Japanese individuals explored Japan's success as a competitor in international markets. Key to this were research and development combined with other aspects of company management, human resources, and partnerships between government, labour and companies.

On education, the Canadian government's Prosperity Initiative recognizes the need for a lifelong commitment to learning. Anyone who looks at our 30 per cent high school drop-out rate and compares it with Japan's rate of 2 per cent knows that we face a learning challenge. When you realize that, by the end of this decade, over 40 per cent of the new jobs will require at least 16 years of education and training, you begin to understand the dimensions of that challenge.

As Canadians, we face competitive pressure because we are not adopting new technology as quickly as our competitors, because we have created artificial barriers to internal trade and because we do not invest in innovation as readily as our competitors do.

No quick fixes will suffice. Only a determined and unflinching effort by all stakeholders will give us the skills and the jobs that will allow us to continue to enjoy one of the highest standards of living in the world. If we are to do this, we need to know the competition and adapt ourselves, our products, our policies and our work.

Let me say just a few words about the broader trade environment.

Bilateral activity takes place within a larger multilateral framework in which both Canada and Japan are participants. The "Global Marketplace" is a reality and business decisions are made with the global framework in mind.

Our number one trade policy priority is a successful conclusion to the Uruguay Round. A failed round would unleash a protectionism that no one wants. A successful and early completion to the worldwide negotiations, including a resolution of the tough agricultural issues and market access in goods and services, is critical to a healthy world trading system. The prospects for success have increased recently as a result of the European Community's agreement to reform its Common Agricultural Policy focusing especially on grain and oilseeds.

Another of Canada's priorities is the continued implementation of the Free Trade Agreement (FTA) with the U.S. and our negotiations toward a North American Free Trade Agreement (NAFTA) with the U.S. and Mexico. These are both steps Canada is taking to remain competitive. The Canadian approach to the NAFTA negotiations