

The Prosperity Initiative is that good, hard look. It takes a good, hard look at the underpinnings of Canadian competitiveness: skills training, science and technology, capital and investment, the nature of the internal economic union and international business.

I'd like to talk about two of these points with you -- learning and science and technology -- and I'll start with learning, an issue that has been in the headlines in the last week.

Just eight days ago, the Second International Assessment of Educational Progress was released. The results weren't encouraging -- particularly for a country ranking third in education spending. Canadian 13-year-olds placed 9th out of 20 countries in a comparison of mathematics and science knowledge. Canadian nine-year-olds placed 8th of 14 countries in a comparison of mathematics knowledge.

We have one of the world's highest drop-out rates. At least 30 of every 100 youngsters entering Grade 9 drop out before graduation. That means there will be more than one million drop-outs in the 1990s, if we do nothing. Many of these one million Canadians will join the nearly 38 per cent of adults who lack the literacy skills needed to be part of a labour force for knowledge-based industries. This problem is already being seen today. A recent survey found that, even in the midst of a recession, 300,000 jobs are going begging because Canadian employers cannot find people with the right skills to fill the positions. And if it is a problem today, when only about 23 per cent of new jobs require more than 16 years of education, just imagine what the situation will be like in the year 2000.

Then, 40 of every 100 new jobs will require 16 or more years of schooling, and 63 per cent of all new jobs will require at least 12 years of education -- high school graduation. Yet, in 1986, fewer than 50 per cent of adults beyond school age had high school diplomas.

Where are we going to find the people for these new jobs? Not from youngsters in school today. Since the 1970s, young people have made up an ever-smaller proportion of the population, and there is no sign that this will change in the 1990s. The most obvious source of trainable people is those who are already working. So, how are we doing at training workers?

Not well. For every dollar U.S. companies spend on training, Canadian companies spend 50 cents. For every dollar Japanese companies spend on worker training, we spend 20 cents. For every dollar German companies spend on training, we spend 12½ cents.

The federal government's concern about learning is shared by Canadians. People are telling us in the Community Talks that we