

THE WORLD TO KNOW THAT CANADA IS OPEN FOR BUSINESS.

BUT INVESTMENT IS ONLY ONE STEP TO BECOMING MORE COMPETITIVE. WE HAVE BEEN INCUBATING PROBLEMS WHICH HAVE LET OTHER COUNTRIES PULL AHEAD. LET ME MENTION TWO AREAS: OUR RESEARCH AND DEVELOPMENT PERFORMANCE AND OUR EDUCATIONAL SYSTEM.

THE OECD RANKS CANADA AS ONLY A "MEDIUM" R & D SPENDER, COMPARED WITH OTHER MEMBER STATES, EVEN THOUGH WE ARE GENERALLY RANKED AS A "MAJOR" OECD ECONOMY. OUR COMMITMENT TO R & D IS LAGGING BEHIND OUR INVESTMENT IN OTHER ECONOMIC ACTIVITY. IN INDUSTRIAL R & D, ON A PER CAPITA BASIS, WE RANK STILL LOWER. IN EDUCATION, THERE IS SOME EVIDENCE THAT THE CANADIAN SYSTEM IS NOT DOING AS WELL AS IT COULD IN PREPARING GRADUATES FOR THE INTERNATIONAL MARKETPLACE. CURRENT INTERNATIONAL EVALUATIONS SUGGEST THAT CANADIAN STUDENTS ARE NOT SCORING HIGH ENOUGH IN KEY SUBJECTS, SUCH AS MATHEMATICS. WE ALSO NEED TO ASK OURSELVES IF THE PATTERN OF POST SECONDARY SPECIALIZATION IS PRODUCING THE OPTIMAL MIX OF ENGINEERS, SCIENTISTS AND MANAGERS THAT WE WILL NEED TO ACHIEVE AND MAINTAIN AN ADVANCED INDUSTRIAL STRUCTURE.

MY COLLEAGUE, TOM SIDDON, WILL BE DISCUSSING SOME OF THESE QUESTIONS IN MORE DETAIL THIS AFTERNOON, AND FLORA MACDONALD IS