

I invite you to follow the Geneva negotiations closely. Based on discussions in Geneva this week, the talks seem to be in their final phase. I hope an agreement can be completed this year. Our future prosperity will be more secure with an agreement.

However, our prosperity is not exclusively linked to the GATT. As you know, we are currently looking at the possibility of a North American free trade deal with the United States and Mexico. Such an agreement would create a market of 360 million people, which would help us to make our economy even more competitive. Prosperity is not a matter for governments alone. It is the responsibility of all Canadians.

We must do more than simply open up markets. We must be sufficiently competitive to tap into these markets.

Competitiveness, however, cannot materialize out of thin air. It must be based on objectives and attitudes.

Even though we have the second-highest standard of living in the world, some recent figures are cause for concern. According to the World Economic Forum, Canada ranks 12th in productivity and 16th in terms of international orientation. In other words, some serious corrective action is required.

It is with this in mind that my colleague, the Honourable Bernard Valcourt, and I launched the Prosperity Initiative. This Initiative identifies five areas in which Canada must progress in order to maintain its position on world markets. These areas are: knowledge and learning, science and technology, growth financing, the domestic market, and international trade. Each of these areas is important.

Today's successful countries are those which place a premium on learning. We must improve our basic knowledge and also promote scientific and technical knowledge. By the year 2000, 40 per cent of Canadian jobs will require at least 16 years of schooling, compared to 23 per cent today. Two-thirds of all new jobs will require at least a high school diploma. Nevertheless, 30 per cent - 36 per cent in Quebec - of Canadian students now drop out of high school before graduating. How will they be able to meet labour market demands?

We must also address the issue of on-the-job training. At present, Canadian companies spend half as much as American firms on employee training, five times less than Japanese companies and eight times less than companies in Germany. In science and technology, only 4 per cent of our manufacturing companies conduct research. Canadian firms invest only half as much in research and development as their German, U.S. and Japanese competitors.

Canadian businesses - particularly small- and medium-sized manufacturers - must take advantage of every opportunity to develop new technologies. Their competitiveness and their very survival depend on it.

We must also take steps to finance growth and innovation. We have already adopted numerous measures in this regard, such as tax