

We are pushing hard for early progress in those negotiations. You will be aware that the Mid-Term Review Meeting of the Uruguay Round will be held in Montreal in December. At the Economic Summit Canada will be seeking a commitment to an "early harvest" at the Mid-Term Review Meeting. At Toronto, leaders must demonstrate the necessary political will and imagination if we are to reap the gains of trade liberalization.

If Canada is to prepare itself for and be competitive in the 21st century, we will need to adjust not only to trade liberalization but to the realities of the New Information Age. Comparative advantage is increasingly being invented, rather than being so much the result of inherited bounty. Materials substitution, bio-engineering, robotics, and microprocessing are among the new realities. Countries like India are no longer customers for our wheat because the Green Revolution is helping to make them self-sufficient. The Third World is producing more and more of the things we produce. We will not, therefore, be able to rely as much as we have in the past on natural resources and semi-manufactures.

Research and Development (R&D) will be critical to our future competitiveness. Last year the government established a \$1.3 billion five-year program. The Prime Minister is himself chairing the new National Advisory Board on Science and Technology. Every effort must be made to raise the combined spending of government and the private sector to levels reached by other technologically-advanced countries and to make every dollar count.

Economically, nothing will be more important in the future than having our domestic policies capitalize on the global forces of interdependence. Canadian governments will need more than ever before to encourage savings, investment, and entrepreneurship. Within a context of fiscal responsibility, they will also need to ensure that Canada's infrastructure is of the calibre needed to support world-class industry.

If I had to point to a single area where Canada should be focussing more attention in the future it would be education. Shifting the economy to higher value-added activities depends on education. By education I do not mean only the professions, but grade schools, polytechnical institutes, apprenticeship programs, extension programs, and manpower training. One of the reasons for Japan's success, indeed a principal reason, has been that its labour force as a whole, from top to bottom, is comparatively well educated.

Speaking of Japan, let me give you an example of one of our shortcomings in the area of education. We all know that our trans-Pacific trade now exceeds our trans-Atlantic trade and that Japan is our second largest trading partner. Yet there are only about 1200 students studying Japanese in Canada compared to 15,000 in Australia.