

Canadians enjoy the second highest standard of living in the world and a quality of life second to none. We have achieved this as a united country. Indeed, in large measure we have achieved this because we are a united country.

Unity and prosperity, the two go hand in hand. Our prosperity is enhanced by working together in a united country, just as our unity is strengthened by a strong economy.

We can be very proud of what we have achieved, but we cannot be complacent. Simply relying on the things that have helped us succeed in the past will not be enough for us to continue to succeed in the future.

Success means greater prosperity for individual Canadians and, the key to prosperity is to increase our productivity.

Productivity depends on the extent of our investment, the quality of our skills, our natural resources and the efficiency with which we use them to produce the goods and services that we consume at home and those we sell abroad.

Greater productivity means many things. It means higher wages. It means greater rewards for Canadians who save and invest. It also means better pensions, better health care and better income support for the unemployed and the working poor. It means that we can afford more, both as individuals and as a country.

Greater productivity is not an end in itself, it is a means—a means to a higher standard of living and to more opportunities for people to share in the benefits of prosperity.

Some hon. members: Hear, hear.

Mr. Schneider: Today, when Canadians look abroad, they see our competitors taking the steps needed to increase their productivity. They see them removing trade barriers, investing in innovative technology and excelling in mathematics and science.

When Canadians look at our performance here at home, they see trade barriers from province to province which make us less efficient than we should be.

They see an inadequate level of research and development. They see that Canadian employers spend one-

fifth as much on training as Japanese industry, and one-eighth as much as German industry. Canadians know that we must keep pace or pay the price.

They see that four out of ten adult Canadians cannot read or do math well enough to perform everyday tasks. They see that three out of ten high school students drop out of school. They know that we must do better.

Since 1984, the federal government has pursued a strategy designed to strengthen Canada's ability to compete. Through successive budgets, the government has taken measures to restore a fiscal balance to help create a stable, non-inflationary macroeconomic environment that is conducive to investment and job creation.

This strategy has worked. In the past six years, Canada has had the best job creation record among all major industrial countries. Private, non-residential investment has been at record levels for the past three years.

The government has also introduced a number of structural reforms to make us more efficient and more productive.

Through the Canada-U.S. Free Trade Agreement, we have gained new opportunities and greater security of markets for Canada's products. Through regulatory reforms and privatization, we have made our domestic market more competitive and more productive. Through tax reform and the goods and services tax, we have made our tax system fairer, more reliable and more supportive of economic growth.

These structural reforms will raise our annual rate of productivity growth by 0.6 per cent in the next five years.

The free trade agreement and the goods and services tax alone will raise Canada's real Gross Domestic Product by 5 per cent once fully in place. That is more than \$900 for every Canadian man, woman and child in this country.

Trading opportunities do not just happen; we must make them happen. Manufacturing and business sectors are promoted at various times by government, as it relocates the country's economic resources.

I am referring to such initiatives as the Western Economic Diversification Program, Atlantic Canada Opportunities Agency, and the FEDNOR agency of Northern Ontario. are, as we all know, regional economic development initiatives that are designed to focus atten-