

Bilaterally, the Canada-U.S. Free Trade Agreement -- the FTA -- has improved access to Canada's most important export market.

On June 12th this year, Canada, Mexico and the U.S. started talking formally about a North American Free Trade Agreement. If the talks succeed, they will open up an economic area with 360 million people and a combined GNP of more than \$7 trillion. Success can only increase the global competitiveness of all three nations.

At the same time, in response to increasingly urgent demands of Canadians -- and people throughout the world -- we have started to make the theory of sustainable development a reality. Business and industry are being encouraged to use energy resources and natural resources efficiently and to ensure that neither process nor product pollutes.

Rapid changes to environmental laws and regulations are already a fact of life for your industry in many industrialized countries. These inevitable reforms will continue to have a major impact on trade and investment, particularly in industries such as iron and steel, and pulp and paper.

The Agenda for Economic Renewal has done much to create and sustain the conditions in which Canadian business -- Canadian entrepreneurship -- can compete and grow and prosper. More needs to be done. Business and industry, labour and government see that more needs to be done. They are starting to think in new terms and acting together to make continuing prosperity part of Canada's future.

I will soon be announcing a Prosperity initiative. I will be asking Canadians to join us in thinking in new terms and to plan together for the challenge of the global economy. Our Prosperity initiative is based on one premise: that Canada's standard of living depends on competitiveness. Our competitiveness depends on our productivity, on greater and better use of our export opportunities, on improving the quality of our goods and on doing all this at a competitive price.

The initiative will focus on five areas of competitiveness: education, science and technology, investment, creating a competitive domestic market, and international trade. Competitiveness today, for business, for industry and for nations, means working smarter. Working smarter to become more competitive starts with learning the skills to do so and the Prosperity initiative will address this crucial issue. We know that in the next 10 years nearly two-thirds of all new jobs created will require at least a high school diploma. Forty per cent of those new jobs will require more than 16 years of training.