

We need to develop a pervasive learning culture in Canada. Education is a provincial jurisdiction, and we will respect that fully in developing Canadian learning goals. But education is a key to our standing in the world economy and is very much a matter of concern to all Canadians. It concerns their performance. It concerns their pride. It concerns their prosperity. Education and investment, largely through research and development (R&D), hold the key to productivity improvements and ultimately, our competitiveness.

Our R&D picture is a decidedly mixed one. On the bright side, Canada's R&D spending runs ahead of OECD averages in such high-tech sectors as electronics, aerospace and computers. And private sector R&D in Canada has grown by 6.5 per cent a year, in spite of the recession. But we still have a long way to go. Canada ranks with Italy as the G-7 country that spends the lowest percentage of output on R&D. Germany, Japan and the U.S. all spend at least twice as much as we do on R&D. In business terms, R&D is nothing less than an investment in the future, and in those terms, as Canadian Pacific Chairman Bill Stinson said recently, investment is nothing more than "putting today's profits into tomorrow's products."

Canadians have nothing to fear, and everything to gain from enhancing our competitiveness. Competitiveness isn't a dirty word. It isn't about losing jobs, it's about securing jobs. As Bank of Nova Scotia Chairman Ced Ritchie has said, "competitiveness is really about the chance for every Canadian to have a decent paying job." In this emerging world economy, our only guarantee is our performance.

Well, what are we doing about it, as a government and as a country? The awareness of the importance of this issue is building. Canadians increasingly realize the importance of competitiveness, and they realize that we are all in this together. In a discussion paper we'll be releasing on competitiveness, we've identified five key requirements for Canada's future prosperity.

First, a learning culture. We're not going to compete if we continue to permit a 30 per cent high school dropout rate -- compare this with 2 per cent in Japan. We're not going to be able to compete when Japan is producing nearly nine times as many engineers per capita as we are. Not when Mexico is graduating four times as many engineers as we are.

Second, science and technology. The government has made significant investments in R&D. We have established 14 university centres of excellence with nearly \$250 million of funding. We have created an R&D-friendly tax regime recognized worldwide as one of the most attractive to companies. However, Canadian business is lagging behind its competitors. We rely on