

development and dissemination of new technology and essential skills.

• (1730)

Mr. Speaker, I could also talk about advantageous initiatives and sector competitiveness, but I am running out of time.

In concluding, Mr. Speaker, I simply wish to inform the House that two major objectives underlie all ISTC initiatives, and these are to defend the interests of business and the scientific community in cabinet, in areas such as taxation, transport and energy; to provide businesses with support and information to help them market their products and acquire new technology; and to increase competitiveness and adapt to the new business climate.

[English]

**Mr. Mac Harb (Ottawa Centre):** Mr. Speaker, I would like first to thank my hon. colleague from Windsor, Ontario for raising this motion in the House today. It is a timely and extremely important issue which deserves our attention and our action.

As we can see from the headlines in the daily newspapers, our world is changing. We are facing lay-offs in the forestry industry. In Bas-Caraquet the fish packing plant is closed. In Shippagan the plant is in receivership. In Canso, North Sydney, Lockeport, Wood Harbour, Port Medway, Port Mouton the plants are closed. Small towns across the country are boarding up windows and closing down.

Obviously we simply cannot rely on our fishery, our forests and our farms to provide jobs and wealth in this country. We are now emerging from a global round of competition which, by all reports, indicate that we must re-evaluate our economic and political priorities. In this highly competitive and creative world our traditional policies are just not good enough any longer. We have to alter our course.

[Translation]

The second half of this decade has been characterized by the restructuring, on a global scale, of companies trying to adjust to the new international environment.

Before setting our goals, we must know our roots. History shows that most firms base their economic and social policies on their national culture.

### *Private Members' Business*

Ironically, Canada's problems derive from its strengths. Our natural resources have always provided us with a high standard of living. But, even though we cut down more trees than any other country, we are still importing chain saws. In 1987, the value of imported manufactured goods in Canada exceeded that of exported goods by \$24 billion, which represents \$460 million a week.

For example, we are importing 76 per cent of our machinery, 40 per cent of our electrical appliances and 80 per cent of our medical equipment.

[English]

Trade in advanced technology has grown almost twice as fast as trade in general. By 1995 trade in computers, aerospace equipment, electronic machinery and pharmaceuticals will account for one-quarter of total world exports. But Canada is largely missing out on this growing opportunity. For example, in 1980 our trade deficit in high-tech products totalled \$4.6 billion. By 1987 this deficit increased to over \$7 billion.

Recently we were told that Canada has experienced its first monthly merchandise trade deficit in thirteen and a half years. It is particularly noteworthy that this deficit included a sharp increase in imports of machinery and equipment during that month.

As the Premier of Ontario told the National Forum of Science and Technology Advisory Council this past June:

Increasingly, we are exporting yesterday's goods, and importing tomorrow's technology.

We are currently putting 1.3 per cent of our Gross National Product into research and development. Our competitors are doing twice that much. For example, 7 per cent of Ontario manufacturing industries do not have even one engineer on staff. So what can they do but import products, technologies and the very knowledge needed to put them to use.

If we want to win in the international arena and thereby protect and enhance the quality of life of our citizens we must set our sights on competing with the very best. In an article published by *The Globe and Mail* last March Dr. Larkin Kerwin, President of the National Research Council wrote: