

Government. His Government is taking a different direction from the one he is talking about.

Mr. Deputy Speaker: Order. The time for questions and comments on the Hon. Member's speech is now over. We will now resume debate.

● (1120)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, on behalf of the constituents of York-Peel, it gives me great pleasure to be able to enter the debate today on the Speech from the Throne. It is a little over two weeks since Her Excellency the Governor General of Canada outlined the broad measures the new Government would be taking in this session. The measures announced in the Throne Speech symbolize, I would suggest, a new day for Canada. They symbolize indeed a watershed in this nation's history.

Canada has now joined the movement which preceded us in Europe, the United States and Asia. Those who have grasped the significance of this movement will understand that it is a movement in which the vitality of free enterprise will again be allowed to flourish in this country.

The new Progressive Conservative Government has committed itself to fostering economic growth. As the Minister responsible for regional industrial expansion, I and my Department have been given a tremendous responsibility in shaping the economic turnaround the Government has pledged to accomplish.

As you know, Mr. Speaker, since the Government took power some two months ago, we have been examining various government programs with a view to eliminating those that are no longer relevant and then fine-tuning those remaining to better serve Canadian needs. For example, the day after the Minister of Finance's (Mr. Wilson) economic statement was delivered in the House, we in our Department announced adjustments to the Industrial and Regional Development Program, adjustments designed to improve the program's efficiency, and focus assistance on innovation projects that will increase industrial productivity and help international competitiveness. They were designed to ensure that support is provided in areas of the country where it is most needed. We were able to do all of this, and we now anticipate that in the coming year, we will be expending 35 per cent more than was expended in this area in the current year. The acceptance of these changes by the business and working community of Canada convinced me that our new streamlined version has taken into account the concerns and priorities of Canadian business, and is one small step in the restoration of business confidence in Canada.

In announcing the changes to the Industrial and Regional Development Program, we have given instructions to give priority to those IRDP projects that emphasize R and D and the development of new projects and processes. We have asked that there be a targeting of funding to those areas of the country where it is needed most. At the same time, we have

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instructed the Department and particularly our regional offices to increase the non-monetary assistance that they provide to the Canadian business community. In this context, we intend to raise the profile of regional offices so that they become centres of information and assistance rather than simply centres for processing grant applications.

The regional offices have been directed to emphasize assistance to business and to industry in terms of expertise in identifying export opportunities and opportunities for import substitution. They will become centres for assistance in the fields of information, advice and co-ordination of various forms of support. To allow them to assume these added duties, we have streamlined the administration of IRDP by providing automatic eligibility for cases involving support under \$100,000, provided the basis criteria are met. This in turn will reduce the bureaucratic burden and speed the processing of applications, thus relieving staff from much of the paperwork and allowing them to undertake more fruitful tasks for the business community.

● (1125)

The changes we have announced have the added benefit of reducing the forecast—and I emphasize the word "forecast"—expenditures of our Department by some \$200 million a year in this and other programs, while at the same time maintaining the stated objectives of the Department that I have the honour to head at the present time.

Another area in which we will be active is industrial R and D, with a particular emphasis on the development side of that equation. Canadian industry must maintain its competitiveness on domestic and international markets by increasing its productivity and improving, wherever possible, the quality of its products. Canadian firms must innovate if they are to remain competitive, grow and provide adequate employment opportunities in a world in which they are constantly being challenged by rapid technological advances from an expanding number of countries. One way of achieving this is for firms to make a far stronger commitment to research and development than ever before.

However, the ability to import technologies, apply and build on them is also of critical importance. Product, process and managerial innovations around the world are creating new products and reducing unit costs, yet there is considerable evidence that Canadian firms are slow to embrace and exploit them. We find a similar slowness in adapting Canadian research—in some areas research that is among the finest in the world—to the needs of Canadian industry.

Of course, this is not true of all industries. For example, I was recently asked to participate in the announcement by Northern Telecom of an \$80 million commitment that company made to the development of new micro-chip technology. It is a development which will maintain Nortel's commanding lead in the world of digital communications.

Canada has no choice but to join the technological revolution to which I am referring. We must do so with vigour if we are to supply Canadians with the newest goods and services