



# Statements and Speeches

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## TECHNOLOGY TRANSFER AND THE CANADIAN BUSINESS ENTERPRISE

Notes for a Speech by D. Stewart McInnes, Parliamentary Secretary for International Trade, at the Law Society of Upper Canada, Toronto, December 1, 1984.

...The production and sale of goods, as well as the provision of services, is increasingly enmeshed with technology. Technology is a very broad field. It encompasses what one writer has described as "the ability to put things together, to make them work, to develop and satisfy customers, and to do all of these efficiently".

Thus, technology may be represented by material items such as factories, machines, products and infrastructures. But it may also be represented by non-material items such as patents, technological information, or know-how. Sometimes, technology is even considered to include the wherewithal to use effectively the results of creative thinking, such as capital, manufacturing and purchasing information, assemblies, subassemblies, components, tools, test sets and the like.

Unless a turn-key project, or a consulting engineering contract, includes a transfer of technology, it may be difficult, if not impossible, to exchange goods and services. Technology may encompass virtually all industrial activity. It is vital, quite obviously, to Canada's economic growth.

For Canada, economic growth depends on trade. Nearly 50 per cent of all Canadian manufactured goods are exported. To the extent that an international sale of goods involves a transfer of technology, Canadian firms, to remain internationally competitive, must be assured of timely access to the best foreign technology. In fact, the vast majority of technology used in Canada is imported. Conversely, Canadian business has been, and will continue to be successful in developing technology. Canadian enterprise and initiative in exporting technology, whether to accompany the export of goods and services or alone, must be rewarded with an appropriate return on investment.

A wide range of national and international laws and policies has an impact on access to technology and return on investment. I would like to list some of the more important fora, before returning to each in slightly more detail.

First, members of the international community are engaged in dialogue in a number of multilateral fora. At the General Agreement on Tariffs and Trade (the GATT), increased attention is being given to whether the existing rules on trade in goods can respond to disruptive practices that could distort or impede technology and service exports and imports.

At the United Nations, dialogue between developed and developing countries, the "North-South dialogue", has been focused on achieving an appropriate balance between ensuring the South has access to technology so necessary to development, while ensuring the interests of technology suppliers