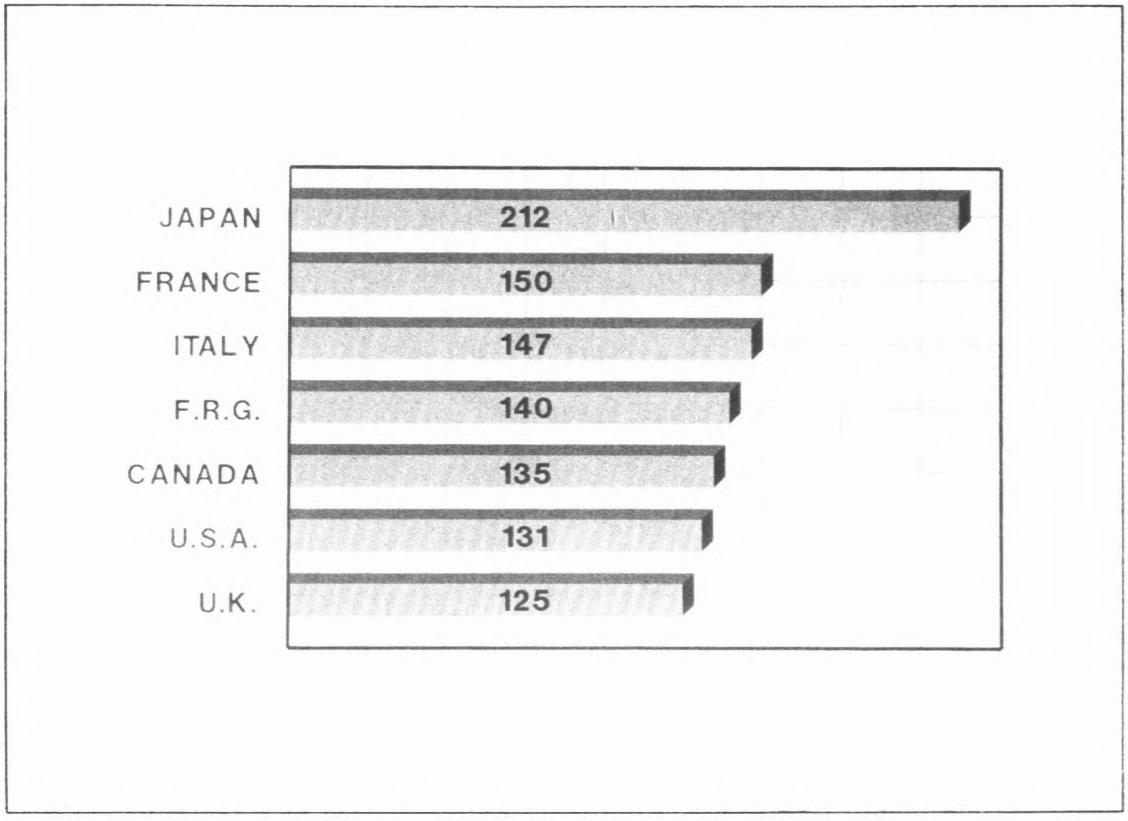
Figure 8: GROWTH IN PRODUCTIVITY OF TOTAL MANUFACTURING, 1970 = 100
VALUE IN 1981



Source: OECD National Accounts: 1964-1981, Paris, 1983. OECD, Labour Force Statistics: 1970-1981, Paris, 1983.

While Canada's absolute level of productivity, historically, has been quite high, the trend shown here for productivity growth in manufacturing is cause for concern.

From 1960 to 1983, Canada's level of productivity remained below, and grew almost in parallel with, that of the U.S.A. The gap between Canadian and American productivity did not change significantly during this period. Evidence suggests, however, that Japan has drawn ahead of Canada in absolute productivity. (See Figure 9.)

There is also evidence that between 1970 and 1981 Canadian productivity growth in the combined resource category of agriculture, hunting, fishing and forestry was very low. This evidence shows that international competition is becoming stiffer in these traditionally strong Canadian economic sectors.

Our R & D Performance

All industrialized nations and increasing numbers of developing countries see technology and innovation as the most critical elements in today's economic equation. Powerful new technologies are being introduced and exploited in a growing number of countries. These "core" technologies — microelectronics, biotechnology and new materials development — are giving rise to innovations which are increasing productivity and dramatically altering the competitive advantages of countries.