

and abroad. Encouragement is needed to direct the large pool of Canadian savings towards innovative ventures. Some provinces have already taken significant steps towards this goal. Canadian investors should be encouraged to regard R&D as a profitable option for investment.

vi) International Trade and Technology Transfer

A wide and secure access to foreign markets is a powerful stimulus to industrial R&D and innovation. Trade opportunities for Canadian businesses are promoted by GATT negotiations, special bilateral trade arrangements and improvements in policies and programs to facilitate exports. The growing technological protectionism of Canada's major industrial partners is being carefully monitored.

Foreign-owned firms might be encouraged to seek greater parent-subsidiary technology transfers and world product mandates. One possible proposal might be to make technology transfers and product mandates criteria for eligibility for government support programs. Conference Board of Canada studies indicate that world product mandates have a positive impact on the R&D efforts of foreign-controlled subsidiaries in Canada.

Canadian companies must also improve their access to foreign technologies and management practices.

2. Accelerating the rate of diffusion of technology/information

A. BACKGROUND

To be at the leading edge of technological advancement, Canadian firms must be acutely aware of innovations occurring around the world. They must identify sources of information, advice and assistance related to their technological needs. This encourages the adoption of technological advancements within existing industries. It is of particular importance to Canada's primary resource sector.

Provincial and Federal governments operate several mechanisms designed for the diffusion of technical information.

These mechanisms include:

- i) Regional Innovation Centres, including Centres of Excellence and the Provincial Research Organizations
- ii) The Technical Information System (TIS), including CISTI (Canadian Institute for Scientific and Technical Information), operated by the National Research Council
- iii) The Patent Office
- iv) The Trade Commissioner and Science Counsellor Network

Memoranda of Understanding between Federal and Provincial ministries are a basic element in the process of recognizing the importance of technology/information diffusion.

B. ISSUES

i) Regional Innovation Centres

Provincial and Federal governments, as well as private sector interest groups, have identified the need for regional sources of information and expertise regarding technical innovation. A number of innovation centres have been established in order to meet these needs. Improved coordination of the activities of these centres would avoid unnecessary and wasteful duplication of resources.

One example of a cross-sector agreement might be the proposed National Manufacturing Technology Information Centre. Such a centre could bring together the efforts of all levels of government and the private sector.

Innovation centres and existing university faculties might be further encouraged to enter into cooperative arrangements. The universities would benefit from scientifically and technically-oriented finance, marketing and trade expertise. The innovation centres would benefit from the universities' basic research and development capabilities.