

Yes, the production of such high technology is important, and we have some outstanding Canadian success stories.

But even more important is how we use technology - to produce attractive goods and services at the price and quality levels demanded by the marketplace.

That was the message I carried on behalf of the Prime Minister when I recently spoke at the Annual Meeting of the Canadian Chamber of Commerce.

In that speech, I outlined the five assumptions which will underpin the technology and training policies, of the new government, and I thought it would be useful to repeat them here today.

First, it is clear that lower interest rates, a stronger capital base, and market access are essential prerequisites to increased R&D expenditure by the private sector. Nobody is going to invest in R&D if they can't afford it.

Second, the small size of our country means we must not only encourage the production of canadian technology, but the adaptation of foreign-sourced technology. We must then encourage the diffusion of this technology and know-how across the country -- on the farm, in the factory and in the office.

Third, we believe the essence of the so-called "information revolution" is the application of new technology in existing industries - in manufacturing, agriculture, mining, forestry and so on.

Fourth, we believe tax reform is also necessary to redirect investment to this vital job-creating activity. Tax changes will reflect our belief that incentives should replace grants, that the definition of "development" should be broadened and that tax laws must better reflect the idea that research and development is an integral part of the production process, not a separate activity; and

Fifth, hand-in-hand with policies to encourage the production, application and diffusion of new technologies must be policies to train canadians in their use.

And we believe the recommendations of our two caucus task forces on retraining and youth unemployment are an excellent start.

They are innovative, forward looking and cost-effective.