

That is what convinced the Government to set up his strategic technology programs the purpose of which is to promote networks and alliances between researchers, the Government and the industry. This program is oriented towards three of the most promising technologies, namely biotechnology, information technology, and high-tech industrial material. But the Government is not satisfied with facilitating the liaison between competent scientists for research and development purposes.

Under the Strategic Technology Program, the Department of Industry, Science and Technology is prepared to foot up to 50 per cent of the eligible costs of a project. For instance, we help corporations pay the salaries of their specialized research staff and buy specialized materials and equipments. The Government has allocated \$ 200 million to this program alone to encourage the setting up of networks which might include foreign corporations, universities and research centers. Preliminary R & D in which various players are involved are essential before projects with possible technological application can be marketed; their chances of success are therefore considerably enhanced.

On the other hand, as we can never lose sight of the competitive factor, the Department of Industry, Science and Technology is involved in promotional efforts dealing with initiatives and sectorial competitiveness in close co-operation with the businesses concerned. One of the purposes of this program is to improve the international competitiveness of certain Canadian industries by identifying new markets or facilitating the application of technical innovations.

So far, the Department of Industry, Science and Technology has launched sectoral competitiveness campaigns in auto parts, environmental industries, advanced manufacturing technology, medical equipment, manufactured wood products and the fashion industry.

Madam Speaker, that is what I call practical initiatives that take the concept of research and development itself much farther, in a highly concrete way.

The same goes for the government's approach which led to setting up a package of business services to help Canada's private sector develop new markets or, if necessary, acquire and apply new technologies. Our philosophy is supported by initiatives that can lead our business people to lasting prosperity, because we act on

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the specific sources of the problems of growth or survival that they may encounter.

The government was equally logical, Madam Speaker, when it announced last year subsidies totaling \$8.5 million to carry out the program to implement high technology in the manufacturing sector. Basically, this is a program under which eligible companies can hire consultants to modernize their facilities, with the help of our department.

• (1700)

During the fiscal year which is drawing to a close the federal government has spent over \$4 billion in science and technology. Contrary to what official opposition spokesmen would have us believe, this is hardly a sure indication that research and development are not one of our priorities.

Better still, Madam Speaker, our contribution is in excess of the \$4 billion—plus I just mentioned since this amount does not cover our government's science and technology tax incentives.

I would have a lot to say about that because in recent years we have been trying to make up for the neglect and injustices of previous administrations.

Among other things, the 1985 federal budget included measures under which Canadian small businesses involved in research and development could claim a full refund of the 35 per cent investment tax credit applicable to the first \$2 million spent on research and development.

In addition, Income Tax section 37 enables taxpayers to deduct all allowable current expenses and capital expenditures for experimental research and development projects. I might add that in 1988 Revenue Canada set up a special task force to examine tax credit applications and, without undue delay, reimburse companies doing research and development work. Madam Speaker, I am on solid ground when I say that, compared with other industrialized nations, Canadians have a fiscal climate which is particularly conducive to research and development.

I would like to take this opportunity to talk about the National Advisory Board on Science and Technology, established in 1986 and chaired by the Prime Minister himself. This board advises the government on the best way to co-ordinate initiatives by governments, universi-