

Supply

intend to mention in the course of my remarks, the private sector finally has the support and tools it needs to show leadership in research and development.

The whole government strategy is anchored in the newly established and full-fledged Department of Industry, Science and Technology which took over from the old Department of Regional Industrial Expansion. As the name indicates, the latter's main mandate was to deal with regional disparities. Although it did have something to do with scientific endeavours, DRIE could not really combine industrial policies with scientific and technological programs.

• (1650)

We, which includes the vast majority of experts and observers on the economic scene, are convinced that from now on, our country's progress will depend on its ability to compete successfully on the international scene. By creating the Department of Industry, Science and Technology, we simply reflected the almost unanimous position of the many individuals, interest groups, associations and companies we consulted constantly throughout the country. The message was clear, science and technology should be central to the government's activities. Hence, our commitment to urging all sectors to aim for excellence in scientific and technological development and to working with the sectors on a partnership basis.

We soon realized that market globalization and crumbling economic borders were a threat to our country. If Canada failed to plug into the major international currents of innovation, it ran the risk of becoming isolated, sooner or later. Furthermore, our expertise in certain areas was, in many ways, no longer up to contemporary standards.

It is something I truly deplore. The previous government failed to understand this. It preferred to intervene without a definite plan, mostly through grants allocated at random, in the hope that things would take a turn for the better.

To recover our status as one of the great industrialized nations, but we had to rethink our economic programs, get rid of those which had outlived their usefulness, expand those that could be effective—in a word, we had to seek a consensus and do some housecleaning in cases where policy had often been non-existent.

Instead of endless hesitation without a specific policy, we regrouped about 75 important programs under the aegis of the Department of Industry, Science and Technology. Those in charge of these programs were given a mandate to strengthen links between basic research, applied research, product development, and production and marketing, both in this country and abroad.

The government has also made a consistent effort to persuade business and academics that major research and development initiatives should, as much as possible, be funded from their own resources, because asking for hand-outs is no longer an acceptable way of doing things in an industrialized world. Our department will be primarily responsible for co-ordinating activities by interested parties, more specifically by eliminating barriers to productivity and by encouraging companies to take the initiative, either by upgrading their research and development or taking risks to innovate.

Madam Speaker, some figures are self-explanatory but I think they bear repeating so that everyone understands the situation we are facing today.

Up until very recently, our statistics showed unequivocally that our private sector was lagging far behind in the area of research and development. Let us not forget that out of every 100 manufacturing companies, only three invest in research in this country. Our competitors, who became aware of this situation before we did, are spending twice as much as our own private sector in research and development.

In term of gross domestic product, Canada ranks twelfth among all OECD members involved in research and development.

Let us not delude ourselves: the least we can say about our competitors, which include West Germany, the United States, Japan and Sweden, is that they have very strong backs.

Why did the private sector in Canada wait so long before following suit? Of course, we cannot claim we have all the answers. Our intense consultations have shown that the various partners involved have a feeling of working in isolation and being unable to share as they would the experience acquired by the others, resulting for more than one in a certain feeling of discouragement and disillusion.