

*Private Members' Business*

succeed, where we can take competitive advantages and build on it until we are successful.

Another area to which the government is giving greater consideration is the removal of some of our interior barriers. It is not enough to take down the barrier in trading between here and the United States because in many cases inter-provincial trade is very limited. We should be addressing that question and I am glad to say that the provinces and the federal government are co-operating in this area.

I am proud to be a part of this government which I believe is taking some very commendable steps through the Department of Industry, Science and Technology for initiatives that will go a long way toward achieving many of the successes that we have been talking about here today.

There is much more I would like to say on this topic but the time is short. In conclusion, it is obvious that the aim of the government is to create in Canada a program of excellence for industry on a world class science and technology base. The government has renewed and strengthened this commitment to R and D and to co-operative efforts with industry. It is the task of this new department to translate this commitment into action.

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The key today is global trading. In Canada especially, we know that we can succeed, but there is a real risk of failing if we look too much inward. There are prime examples of this around the world. China has been an inward looking economy and government, surrounded by smaller, but so much more successful centres of economic excellence. Singapore, Taiwan, Hong Kong, these are all peoples of the same nationality with great success because they look to the world for their market.

There is a similar example we see in Europe, with East Germany and West Germany. One is looking inward and the other is looking to the world markets, building on their successes, building their technological excellence. Why should we in Canada do anything different?

**Mr. Scott Thorkelson (Edmonton—Strathcona):** Mr. Speaker, I would like to add my thoughts to those of my colleagues, especially the member from Cariboo—Chilcotin who gave an excellent speech. I would like to add my thoughts on the motion put forward by my hon.

colleague the member for Essex—Windsor, who proposes that the government develop measures to increase import replacement production in Canada.

Import replacement is a somewhat archaic concept, since it takes us back to the notion of small, inefficient industries protected by high tariff walls. In today's global economy, a company cannot rely on servicing only a small captive market. Successive trade liberalization efforts under GATT have progressively lowered the tariffs since the end of World War II.

Combined with the increasing output of newly industrialized countries, it means that our industries are facing increasing competition at home and abroad and are themselves challenging others in an international marketplace. Given the dependence of our economy on international trade, inward looking protectionist measures are not the road to survival and success. The key is to enhance the competitiveness of Canadian industry.

At the time of the Depression tariff walls were 80 per cent higher than they are today. As we have lowered them, Canada has become increasingly competitive and we should only seek to do more of this in the future.

It was in this spirit that the Prime Minister announced in August, 1987, the creation of the Department of Industry, Science and Technology and charged it with the mandate of building up Canadian industry's international competitiveness with all sectors and with both overseas and home markets in mind.

We need world-class industries to create and maintain a world-class economy. Import replacement is not a viable development strategy. Canadian companies must develop innovative technologies and products and achieve sufficient scale in production to address the world market. Only then can they sustain the continuous reinvestment that is required to generate future generations of products. The Canadian market is simply not big enough.

For example, Canada is a world leader in telecommunications. This industry is the engine that drives all our high technology sectors. With global sales of over \$8 billion, it employs over 150,000 highly skilled, knowledgeable workers. Our world strength in telecommunications has come about because of a coincidence of geography and government policy. Our country is so vast, the communication challenge is so great that we had to become world leaders. We had to break new ground.