

such an attitude would cause us to lose an important opportunity to get our economic players and our governments working in harmony to support Canadian competitiveness.

I believe that Canadians must increasingly build partnerships in areas such as research and development, marketing, technology transfers and education and training if we are to improve our position in the new world of global competition.

There are excellent examples of partnerships and alliances in research and development in Canada. Perhaps the one with the longest history is The Pulp and Paper Research Institute of Canada. Our major pulp and paper companies and some of their suppliers participate in the Institute's R&D program and, with universities, participate in post-graduate education. Another example of Canadian partnership in research and development is the not-for-profit corporation, PRECARN which is a unique model of collective research in the world, and now forms the nucleus of Canada's research efforts in intelligent systems. The success of PRECARN depends on the involvement of industry with university and government labs.

While these are good examples, is it enough? Should our research institutes' mandates be reviewed? Industries are using their research institutes to do pre-competitive research. This is good -- Canada needs such basic research. But too often companies themselves do not do enough research to develop the work of the institutes and universities into usable technologies and marketable products. How can companies in all sectors be encouraged to transform the work of universities and research institutes into more competitive products and services? I have recently returned from a trade mission to Japan where one finds that every major industrial group of companies now has its own research institute. Is this an appropriate model for Canada?

Some may say that the Japanese model is not appropriate for Canada. Maybe so, but can we be assured of the second-highest standard of living in the world if our research and development investment continues to lag so far behind that of the rest of the Group of Seven (G-7) countries? In an era of knowledge-based industries, I don't think we can. What can the private sector do about this? What more should government do?

Cansulex and Canpotex, the Canadian sulphur and potash consortia, are excellent examples of marketing alliances. In Western Canada, the Co-operative Overseas Market Development Program, and in Eastern Canada, the Bureau de promotion des industries du bois, were created by the forest industry -- with government assistance -- to provide marketing support abroad. These are excellent examples of public and private-sector co-operation for marketing of products. Can more be done along these lines to