

*The Budget—Mr. Oberle*

national parks. We have a \$12 billion deficit in trade because we have neglected to focus on our natural strength.

● (1700)

I suspect one of the reasons for this is that we did not have a national science policy. We had no leadership. We were competing with Japan and Germany, the countries which took the lead. Just as the former Government was preoccupied with developing a new, artificial culture for Canada, so was it obsessed with a new industrial image. Forestry, mining, and agriculture had become unsophisticated rural occupations which a country in search of a modern industrial image should move away from. Instead of building on our natural strength, the Government led it ebb away. As a result, our resource industries are in serious difficulties.

There are 350 cities and towns in Canada, most of which are in the mid Canada corridor and in the north, which depend entirely on either the mining sector or the forestry sector, or both of these industries. Ninety-five per cent of all the freight that is hauled on our railways is made up of wheat, lumber, forest products, and minerals.

It is not that the former Government was not aware of these problems, but it had other priorities which kept intervening. In fact, from time to time it did attempt solutions. I must give credit for that. These solutions were usually attempted about a year and a half or two years before an election. The thing about science and technology is that it does not pay dividends in three years. Results are not achieved, particularly in basic research, between two elections. To be committed to science and technology you must have a vision and you must plan into the next century. These people could never do that and, instead, introduced artificial solutions for the backlog that had been created.

One such policy was the infamous scientific research tax credit. There was a tax expenditure through that program of about \$3.5 billion. Estimates which I have indicate that between \$1.5 billion and \$2 billion was not used for research and development at all. It went into innovative bookkeeping and innovative tax manipulation rather than industrial innovation. I would like you to imagine for just a moment what I, as the Minister of Science and Technology, could do today with \$2 billion.

The previous Government had another obsession. It thought it could advance the cause of science in the country by building world-class buildings across the country. There is a building in the City of Montreal which cost in excess of \$60 million. It is a fascinating building which takes up two city blocks. The architect should get a world-class prize. However, no one developed a program to go into the building. They built the building and called it a world-class buyer technology building. The National Research Council is taking possession of the building in June and no one has given any thought to how one operates a world-class buyer technology centre. As important as that strategic technology is, there has been no plan formulated. Now I must design a plan to fit the building,

and I will do so, and it will become a world-class buyer technology centre.

There is another building in Winnipeg, the spiral staircase in which costs more than the mechanical room. That is a \$30 million building, another world-class effort. However, it has done very little to address the urgent need in Winnipeg for the development of an industrial technology centre. I now have a building and must develop a program to fit it, which I will do. I recently announced it in Winnipeg, and I am receiving enthusiastic response because people were becoming a little confused about the policy of the former Government. The cause of science and technology is not advanced with brick and mortar. It is advanced with people and knowledge, and that has been ignored.

**Some Hon. Members:** Hear, hear!

**Mr. Oberle:** We must first learn to spend smarter, because we do not have the resources in the first year to correct all the sins of 20 years of deliberate neglect in this area. We must set new goals which will inspire young Canadians particularly, and Canadian scientists generally, which will take us into the 21st century. It became clear to me when I assumed my portfolio that the Government will not be able to do this alone. We find ourselves in an urgent crisis which will require the combined efforts of Government, industry, universities, and the science community. I want to enable the cutting torch genius, the welder, and the farmer who is not connected to any of these institutions, but has an idea, to get his idea across and have his prototype built.

We must modify our in-house effort. We do quite a bit of in-house research and development. The National Research Council is an instrument of excellent work and progress, but we must modify our in-house efforts, at least in the short term, to ensure that the technology which is sitting on the shelf in government labs is quickly diffused, transferred to the marketplace, and will end up in marketable products. We must extend the safety net for the people who work there and, perhaps, second some of the brilliant people to industry.

I want to speak a little about what we have done as our first effort to bring about a change and set us off in a new direction. In connection with the Budget I announced a new five-year program to deal with the area of university research which makes up 18 to 20 per cent of our total effort. We are increasing funding for the Natural Sciences and Engineering Research Council, the Medical Research Council, and the Social Sciences and Humanities Research Council by \$1.054 billion over a five-year period. The spending levels will increase by \$311 billion by 1990-91 over the 1985-86 level. That is precisely the amount we are spending this year in the Natural Sciences and Engineering Research Council. It will receive additional funds of \$555 million.

My critics tell me that that program will not work and that it will not catch up with inflation. I wonder where they learned their arithmetic. They are playing games, and we are sick and tired of it. We will no longer play games with the Canadian people. We will be judged on our record. The targets which the