

The minister does not seem to understand that Canada lags far behind our competitors when it comes to non-tax support for R and D. This is an important distinction, the support that is offered through the tax system, tax support, and the support that is offered for R and D through other methods, through non-tax methods.

By non-tax R and D, what I am talking about is contract research or government procurement which are widely used in many countries to stimulate innovation and industrial development.

Canada is just not in the same league as many of our competitors in Japan, the United States, Germany, the Scandinavian countries and France when it comes to non-tax support for R and D which in those countries is offered through defence procurement, defence spending in the United States, projects like the fifth generation computer project in Japan and the aerospace industry in France.

I just came back from the west coast. I had the pleasure of attending a forum with business persons interested in science and technology in Vancouver last Friday morning.

One of the people I had the pleasure of speaking to and meeting with again is John MacDonald, president of MacDonald Dettwiler in Vancouver which employs some 800 persons. These are all people who are working in the field of systems integration and software development.

Mr. MacDonald referred to the old unsolicited proposals program, which this government cancelled, as the best lever the government had to promote industrial development. This was a program again which this shamed government cancelled.

Another kind of program which has been highly successful and which has been perhaps the government's best mechanism for getting small and medium sized businesses across Canada to do research and development is the national Industrial Research Assistance Program.

We all know that this program has been starved for funds by this government. The funding of IRAP has declined by some 28 per cent in the past seven years. IRAP has suffered from management instability. The current management of the NRC has attempted to

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change the program from a program which serves the interests of clients to a program which will serve as a marketing arm for the NRC labs.

The committee of which I am a member, the industry, science and technology committee of this House, undertook a study of this program in the fall. It concluded that IRAP suffers from the absence of a clear government perspective on its role and responsibilities not just now, but also in terms of what the program should be in the context of the prosperity agenda that the Minister of Industry, Science and Technology is promoting.

This budget provides a minimal increase in the budget of IRAP nowhere near the funds that were recommended by the industry, science and technology committee and the Sparrow report one and one-half years ago. That committee was chaired by the member who spoke just a few minutes ago. These funds are nowhere near the funds necessary to allow the program to fulfil its potential and meet the needs of Canadian industry.

The government is not only content to destroy support for industrial R and D, but also it has decided to destroy this country's knowledge base. In the budget, the government of course delivered the *coup de grâce* to the Science Council of Canada.

The Minister of Finance said that there are other similar types of organizations that do the same thing as the Science Council of Canada. That is not so. That is simply wrong. There is no other organization in the country that does the same thing as the Science Council, that looks at science policy from a long-term perspective and in an independent manner.

I spoke last week to a member of the National Advisory Board on Science and Technology, the Prime Minister's own National Advisory Board on Science and Technology. A board member told me that to suggest that the Science Council is similar to the National Advisory Board on Science and Technology is just ludicrous. He said that NABST is different in concept and different in construct, to put it shortly.

The same member of the National Advisory Board on Science and Technology, who happens to work on Bay Street, told me that the business community generally supports the budget, which is something I might take issue with. But it thinks the government has gone off the deep end in killing the Science Council and the Economic Council, and he likened this to Archimedes who was