

*Supply*

going to contribute to the greenhouse effect and global warming.

First, we know that mined materials face competition from Third World nations that can produce them more cheaply. We also know that new materials are being invented day by day that are going to replace those minerals and metals. Soon, we are going to be talking about ceramic motors in our cars and we are going to be driving cars which have ceramic engines. That is symbolic of the kind of future we face with respect to a dependency on resources. What has surely become evident is that no nation can continue to be a resource based economy, produce decent jobs for its people and maintain the kind of social structures that Canada has become proudly used to.

The minister talked about the free trade agreement as being one of those very significant contributors to competitiveness, even more important than research and development. That is one of the silliest things I have heard for a long time. Free trade is about markets and markets are not going to mean a damned thing if we do not have something to sell. We are not going to be able to make enough money to sustain the nation on the basis of the sale of our resources, as I have already indicated.

It is very interesting to see what underlies this free trade agreement, as seen from another perspective and that is a perspective of the President of Mexico. He had it right. We should have a North American trading block in which Mexico would provide cheap labour, the United States would provide the technology, and Canada would provide the resources. If ever there was a prescription for the kind of competitiveness that we would have to pursue in order to sustain our nation in that context, it is one which would have to be devoted to a low wage economy. The trouble with the free trade agreement is that it will prohibit us from doing those things we will need to do in order to produce what others have been trying to produce and that is a high wage economy. Enter research and development and what that means.

It is very simple. The minister mentioned it in passing. We are going to have to produce more value-added and higher value-added goods and services. Those high value-added goods and services are going to have to be saleable outside our nation, that is to say, tradeable outside our nation, so that our nation can be a net earner

in international trade, or at least have a balance between what we buy and what we sell.

What is value-added? Quite simply, value-added is investment of knowledge and skill that one puts into that which one is going to sell and which really adds its worth and creates wealth. If that is true, then it is clear, and it will be clear to every voter out there listening to me now, that we are not going to succeed unless we prepare our people with the skills, knowledge, and the new knowledge that will create that value-added and which will result in products and services that we can sell.

It is not just research and development in industry or the universities or any other place that is important. If the minister and I are talking about the same things with respect to those things involved in competitiveness, besides scientific research and developmental research, then it is okay. But he did not mention it specifically. We need as well, as the innovators at the upper level, the skilled workers who are given the opportunity to gain that technological knowledge and those skills that will enable them to be, not just cogs in a factory or assembly line, but themselves capable of making of investment in new knowledge. New knowledge does not come just from high faluting scientists. It comes from every level of an educated people. And what is happening?

In that context, what has the government done? Well, it is inevitable, as it is appropriate, to look at the record, not only with respect to research and development, but with respect to those other components of a value-added economy, to show where the government has failed in spite of its promises.

I would pause to say this with respect to certain aspects of the leadership that the government has provided, in contrast to the efforts of the previous Liberal government. I will give a couple of examples. In 1979, when the government of the Secretary of State for External Affairs came in, the granting councils had five-year plans for the first time in years. A five-year plan meant that a scientist in a university research laboratory had the assurance that at least for five years there would be money to do the research.

It is very interesting to look at the trend line of funding of the granting councils during that period. It goes up until the Liberals come in and then it drops. As a former president of the CAUT and an officer in one or two scientific societies in the country, I had adequate opportunity to know the importance of research and develop-