

*Supply*

That is not all. If one looks at the situation as projected by the government's own Department of Industry, Science and Technology, one finds that yet more parts manufacturers are going to go down for the same reason that others have gone down: a dollar that has gone from 72 cents in American money to up to nearly 86 cents now, has made the auto parts industry so uncompetitive that they are having a difficult time making profit margins. Roughly half are in prospect of losing out altogether.

The high dollar—not high interest rates in the Windsor area in the parts industry because they borrow the money in the United States—means that there is no research going on in an industry that only does one-tenth the amount of research done in competitive nations. This government says therefore: “competitiveness”, the kind of competitiveness that has this government sending out a message to all workers that the inflation they caused by high wage demands is responsible for a loss of our competitiveness. Therefore, we have to put the cap on the Public Service as a message to all other workers that competitiveness is going to be based on low wages, because of the idiotic, economic policies of this government, that is the only way we can compete with Mexico.

Let us take another look at Windsor. Windsor had an active tourist trade. An awful lot of Americans came over to buy in our retail stores and in our restaurants. The number of Americans coming to Windsor has dropped by half. The number of Americans coming to shop in our stores and eat in our restaurants has dropped by half; a direct consequence of the high dollar. One-third of our downtown retail stores and restaurants have closed as a result.

On the other hand, with this nice new economic growth-oriented GST, Canadians are going to Detroit in droves. The number going over there to buy has almost doubled. These are the economic policies: The high dollar, high interest rates, the GST, free trade. These are the elements the Prime Minister says must be the basis for any future constitutional change. My God, I think almost anybody in Windsor would say: “Putting the Prime Minister in charge of constitutional change on that basis, is like putting Nero in the position of chief of the fire department”.

Earlier I listened to the minister of science and technology, and when I think of some of the things he said, I get awfully thirsty. He made the same claim as the previous government member made earlier; that this government has done tremendous things for research and development. Really the fault lies with industry.

Well, that is true to an extent. I indicated earlier the percentage of the gross expenditures in research and development attributable to industry has in fact increased by about 5 per cent. This means, since our over-all national expenditures for research and development—that is gross expenditures at the national level for R and D—has gone, since this government was in office, from 1.4 per cent of GDP to 1.28 per cent now.

There you see it, Mr. Speaker. I can see it in your eyes. You got it immediately. If the over-all percentage of GDP that we spend on R and D has dropped since this government came into office and the percentage that was expended by industry has gone up, only one conclusion is possible. The government's expenditures have gone down.

Before the members of the Official Opposition hasten to applaud with vigour what I am saying because I am condemning the government, when the former Prime Minister under the Liberals came to office in the 1960s, we were also then spending 1.4 per cent of our gross domestic product on R and D and it quickly fell down to 0.9 per cent.

So, this is a kind of a death-bed reformation, as it were, of the Liberal Party, but I congratulate it. We have been working on the Liberal Party so that it understands the problem. It understands its sins for the past and today wants to make up for it by supporting our argument with respect to research and development and I welcome that. What the hon. minister of science and technology did not say is what the National Advisory Board for Science and Technology said, what the Association for Advanced Technology said, what the consortium said, what everybody who has looked at the issue has said, that one of the significant problems with our level of research and development supported by industry is the high level of foreign ownership.

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The high level of foreign ownership in our industrial sector is probably the single most important reason for our low industrial expenditure for research and develop-