

talk to people, people in the real world, not those who are in the ivory towers of Ottawa but people who are dealing with problems that have been caused by the policies I have outlined.

Mr. Fisher: Getting rid of FIRA would not change a thing.

Mr. Wilson: The parliamentary secretary says, getting rid of FIRA would not change a thing, but I say to him try it for six months and see what changes there will be.

The Canadian dollar should and could be higher in terms of the U.S. dollar. The parliamentary secretary should ask international investors who are shaking their heads why the Canadian dollar is weak. The Canadian dollar should be strong. A strong Canadian dollar would lead to lower interest rates in Canada.

Let me put on the record part of an article that appeared in *The Financial Times* about a week ago. It reads:

This is an embarrassing tragedy for Canadians. The dollar could be—should be—one of the world's stronger currencies. But years of economic mismanagement and strident nationalism have driven investors out of Canada, stripping the country of much of its potential.

These are made-in-Canada problems. We have the solutions totally within our control. The parliamentary secretary has proved once again that his head is buried six feet deep in the ground, because he totally ignores what is going on in the real world. The minister himself is frozen in inaction. He is frightened to move. He is frightened to make another mistake. He is betting zero for two in the budget and he does not want to make it zero for three by coming up with another mistake. The dithering which the minister is displaying and has displayed for the past six months is compounding the problem we are facing today and is one of the reasons for the high interest rates in Canada.

A number of people have said: "Let the dollar go, let interest rates go and all our problems will be solved." Let me put a few figures on the record. Let us look at facts and not at rhetoric. In October, 1976, the Canadian dollar was worth \$1.028 in terms of the U.S. dollar. Since then the value of the Canadian dollar has declined by 24 per cent. In February, 1980, when this government came into power, the Canadian dollar was worth 86.5 cents. Since that time the Canadian dollar has declined 8 per cent against the U.S. dollar to its current level of 78.39 cents today.

What has happened to interest rates? When the dollar goes down, interest rates are supposed to go down also. Is that not what the government has been telling us, Mr. Speaker? But during this period of time, the chartered banks prime rate has risen from 10.25 per cent in 1976 to 15 per cent in 1980. The prime rate at the chartered banks is now 17.5 per cent.

Let us take a look at what has happened to inflation. Inflation has risen from 6.2 per cent in October, 1976, to 9.4 per cent in February, 1980. The current level is now 11.25 per cent to 11.50 per cent.

Let me turn now to the unemployment rate. I will not talk about the rate but rather about the number of people who are unemployed. These figures are shocking. In October, 1976, 770,000 people were unemployed. That figure has risen to the

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current level of 1.2 million. In 1980, 856,000 people were unemployed. Compare that to the current number of 1.2 million people who are unemployed. Those figures say it all. The human suffering and tragedy that is represented by those figures has not been cured by letting interest rates go and letting the dollar go. The decline in the value of the dollar has not solved the problem; it has just made those problems even worse.

Mr. Thacker: Liberal times are lousy times.

Mr. Wilson: I have talked about some of the problems we can deal with immediately. As I told the parliamentary secretary, in six months' time the government could take action in the five different areas that I referred to earlier.

Let us look beyond that a little. Let us look at the problem of productivity in our country. I said a moment ago that the Bank of International Settlements has put us dead last in productivity among the industrialized countries. Action has to be taken in this area. The Minister of State for Science and Technology (Mr. Roberts) has talked a lot about the problems of research and development and the need for more product development in this country. But what we are looking for here is action and not rhetoric. Rhetoric comes very cheap and the government opposite knows that. Instead let us again talk about facts.

We have to change the tax regime on research and development. More than that, we have to remove some of the regulatory problems that are inhibiting the increase in research and development. I will cite one example: it concerns the pharmaceutical industry. The law was changed about 12 or 13 years ago to call for compulsory licensing of pharmaceutical inventions. What has happened since, now that pharmaceutical inventions are no longer protected by the laws of this country? It is all very simple. At that time the pharmaceutical industry was spending about 8 per cent of its sales in research and development. Currently that industry is spending 1.7 per cent. The percentage has dropped from 8 per cent all the way down to 1.7 per cent. That is the sort of regulation which can be changed and must be changed if we are going to meet the objective of increased productivity in this country.

Canadians today have a great fear of the future. They know that there are great changes coming in the high technology industry. Canadians know, if we spend this money on research and development, that it will bring some dramatic changes in many industries in the country. In order to meet people's concern and anxiety as to whether or not they will be able to hold a job in that environment, we have to increase significantly the amount of on-the-job training so that people can adjust to the future. It will be a very exciting future, but if people do not feel they are a part of it, it is of great concern to them. That is why training programs have to be changed. If we can increase that level of training, people would be looking forward to what those new jobs can do for them. People will start spending their money. They will begin to think about buying a new car or a new house. That is the sort of thing that will get