

The Budget

Anyone and everyone who has analysed Canada's performance in science and technology recognizes that we have a problem and that this problem must be addressed if we wish to create wealth and maintain a high standard of living for Canadians. The government itself has launched what it calls its prosperity initiative in which it is asking Canadians what can or should be done to ensure Canada's competitiveness.

In my speech a year ago I termed this prosperity initiative an admission of failure, an admission that we have lost eight years—seven years then, eight years today—when this government should have taken steps to ensure that all Canadians receive a quality education and that Canadian businesses do enough R and D, all of the things it says we have to do today and, of course, which it has done nothing about for the past eight years.

On the contrary, we have seen that many of the government's actions have defeated those very purposes. For example, it has reduced funding for R and D in industry and in government. It has eliminated a number of training programs. It has cut back on funding for post-secondary education, to name only a few. As a result of these actions, total support for Canada's research and development efforts has actually declined since the Conservatives took office.

• (1220)

What I find particularly infuriating is despite this abysmal record the government pretends to be improving support for research and development and science and technology. This budget is no exception. The Minister of Finance said on page 13 of his budget speech:

The government recognizes the importance of research and development.

What I want to emphasize is the enormous gap between what the government says and what is actually happening.

Schoolchildren understand there is a difference between saying something and doing something. But this government has it down to a fine art. It figures that if it repeats something often enough, people will think it is the truth. This is known as the theory of the big lie.

I do not know who the government thinks it is fooling. Report after report has emphasized that we have a

problem and yet the government in its actions does not recognize that a problem exists.

The Minister of Finance in his budget speech stated:

Canada's system of tax incentives to support R and D is already one of the most generous in the world.

He is trying to convince Canadians that everything is fine and there is no need to increase tax incentives or non-tax incentives, which I will get to in a minute. Indeed the budget committed an additional \$230 million over the next five years to improve these incentives.

I would like to point something out to the Minister of Finance, to the members of this House and to Canadians who may be watching this debate.

If tax incentives were the answer, we would not have an R and D problem in Canada. While I welcome this additional support for R and D through the tax system, I maintain that tax incentives alone will not improve Canada's dismal R and D record.

The minister himself observed, as I said, that Canada's tax incentives are already among the most generous in the world so it is a matter of simple logic.

We already have generous tax incentives for R and D. If tax incentives were all that were required to stimulate industrial R and D, then we would not have a problem. We would be right up there. But we are not up there. We only spend half as much as our competitors do on research and development, so the problem must lie elsewhere. This is the government's blind spot.

Indeed, the minister responsible for our prosperity initiative, the Minister for Industry, Science and Technology and International Trade, refuses to admit that we have a problem. He may not even understand that we have a problem.

When he appeared before the Standing Committee on Industry, Science and Technology, Regional and Northern Development on December 4, he said:

We have looked at the federal level of support for research and development and Canada compares reasonably with other countries.

The minister is either incredibly naive, he does not know the first thing of what he is talking about, or it is part of this big lie strategy that I referred to earlier in which the government is just trying to hoodwink Canadians into believing that everything is just fine and dandy.