

The Budget—Mr. Janelle

when there are 149,000 unemployed in the manufacturing sector which has the highest rate of all sectors of the Canadian industry?

Research and development in Canada have recently become the victims of political game of the federal government. Indeed, the Minister of State for Science and Technology (Mr. Buchanan) and his colleague, the Minister of Finance, seem to act in diametrical opposition to each other in that field. On the one hand, they insist on the vital importance to our economic base of a policy, for the medium term, that stimulates research and development, while, on the other hand, the government tries to camouflage the budgetary cuts reducing their funding of R and D. So, while the April budget and last week's budget provide about \$100 million to finance research and development in industry, that investment is made at the expense of far greater cuts in government funding to the universities and government laboratories in the next two years.

The Minister of the Environment (Mr. LeBlanc) promised to increase the proportion of the gross national allotted to scientific research and development by .6 per cent from now till 1983, that is from .9 per cent to 1.5 per cent. Unfortunately, attaining that objective now seems very doubtful, especially since last August when the Prime Minister (Mr. Trudeau) announced that a revision of the budgetary priorities was being undertaken.

The Canadian Federation of Biological Societies and the Canadian Association of University Teachers have sent us a working paper which illustrates the scope of budgetary cuts in research and development in Canada. A research recently done by the *Toronto Star* showed the low involvement of multinationals in Canadian research and development. The Federation of Canadian Biologists asserts that the apathy of those companies stems more from negligence and lack of interest on their part toward Canadian industry in general than from a lack of fiscal encouragement. This position seems valid to us because experience shows that the developing countries have been facing this kind of problem for many years. Moreover, these countries are unable to create local infrastructure favourable to research, which gives birth to insuperable trade balance problems. Is Canada secure from international technological domination? Can Canada afford to let its trade balance deficit grow? I do not believe so.

According to important national bodies, including the Science Council of Canada, the Canadian Association of University Teachers and the Federation of Biologists, we must protect ourselves against technological domination by foreign countries. We must make an absolute commitment to encourage research and development in our universities, in government laboratories and industries in order to prevent economic stagnation. Indeed, without technological stimulation, we will find ourselves in front of an aging, inadequate and non competitive industry.

[Mr. Janelle.]

If we persist in basing our economic development exclusively on a capital intensive machinery, on a resource industry and foreign technology, it will quickly give rise to an unbalanced commercial situation in industrial and manufacturing fields. If such is the case, we must expect a considerable increase in unemployment rates from now till the beginning of the eighties.

The federal procurement policy should be structured to capitalize as quickly as possible on inventions made in our universities. University researchers are not acquainted with marketing procedures for products. They cannot either personally bear the costs related with copyright of inventions. Those circumstances thus compel the scientist to seek the support of an organization having the assets and sufficient business experience to complete the implementation of new technologies. Therefore the government must promote constant contacts between industrialists and researchers and then facilitate the marketing of new inventions. For that purpose the Canadian government should base its promotion project for research and development on the American experience. Let us follow proven experiences.

Mr. Chrétien's budget tries to give us a good over-all picture, but it has no definite features. Although neither the Progressive Conservative nor the New Democratic Party, to say nothing of the Liberals, seem to be concerned, the Social Credit Party of Canada thinks that a high national debt is not the sort of factor that will stimulate the economy. When one considers that in 1978 the interest on that debt was equivalent to the total budget for 1962, the magnitude of the problem becomes obvious. Taxes used to pay this interest are funds lost forever for public administration.

As for the decrease from 12 per cent to 9 per cent of the federal sales tax, the Social Credit Party of Canada thinks that Canadian consumers will be the last to benefit from it. Why did the Minister of Finance not distribute this 3 per cent directly to consumers by way of a discount on the purchase of Canadian made goods? The small taxpayer has therefore nothing to gain from this budget. On the other hand, big business, principally the mining sector, received a large piece of the pie as the rate of write-off of its expenses was tripled. Help is given to big business but what about the workers of those large companies? The Anti-Inflation Board recently rejected an 8 per cent salary increase for Thetford Mines miners, saying that it was too steep. That is a double standard policy. Also, if the government really wants to improve the job situation in the country, why were these tax favours not granted to small and medium-size business? Considering that in October 1978 the manufacturing sector had 149,000 unemployed, compared to 8,000 for the mining sector, why were the manufacturing industries not granted a 100 per cent write-off of their expenses, since this sector generates three times more jobs than the other sectors of activity? I have another example that shows how this budget was ad-libbed. I have here a