

The Address—Mr. Stewart

Where are the measures which would cushion the ordinary Canadian against rising gasoline and home heating oil prices? Yes, the Conservatives planned to raise gasoline prices by 18 cents a gallon, but the Liberals' new blending price will raise prices by two-thirds and by how much next year? Where is the fuel tax credit program that we had for families earning \$21,380 or less who drive 20,000 miles and would have had \$220 returned to them annually for a net saving of \$40?

Where are the responsible measures we demand and need to reduce government spending? Where is the end to twisted economic thinking which believes that we can deficit-spend our way out of a period of economic slack? It is suicide. Our record of deficit spending is appalling. Our record of spending beyond our means is frightening.

It is a matter of public record that about 22 cents out of every dollar goes to pay the interest on the national debt. We are, in effect, running hard just to stand still and we will leave a legacy of debt to our children and grandchildren. The Minister of Finance is forecasting a budgetary deficit of \$14 billion. The United States, the most powerful industrial nation in the world with ten times our population, is projecting a zero deficit. Who do we think we are, spending on such a grand scale and mortgaging future generations of Canadians with massive debt repayments?

If we are to provide the social and economic programs which this country needs, if we are to pay for these programs, we must put first things first. We must have the tax base with which to support government programs. We must have our house in order. Abraham Lincoln said that a house divided cannot stand, and this occurs on economic as well as geographic and political lines.

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We must provide the economic climate under which free enterprise is able to cope with the growing demands of a growing population. Our manufacturing capability is declining. We are not providing jobs fast enough to keep pace with population growth. We lack industrial strategy. We lack an investment and a commitment in research and development.

Over the years, previous Liberal governments have promised and promised to provide more funds and incentives for much needed research and development. We heard that here today. They have done very little. In fact, during the years 1968 to 1979, the over-all level of research in Canada dropped by one third. The Lamontagne science commission recommended a target of 2.5 per cent of the gross national product be expended on research and development. That recommendation was ignored. I disagree with the minister opposite; we believe that anything less than 2.5 per cent of the gross national product is unacceptable.

Further to this, a few days ago the hon. member for Red Deer (Mr. Towers) stated that if we raised our percentage of research and development by one percentage point, from .94 per cent to 1.94 per cent, it would have meant one million new jobs in this country and \$20 billion in new manufacturing sales, not to mention the whole new generation of personal and

income taxes which would have resulted. I noted with interest the minister opposite pledging his government's support to research and development.

If we are to survive as a nation, if we are to be a viable world trading nation, if we are to build a solid industrial foundation, we must begin with the basics, and industrial strategy and a commitment to building a strong research and development component. I await with interest his complete research and development strategy.

If we are to remain competitive in world markets, our manufacturing sector must grow. For far too long we have been vendors of raw materials. For too long we have allowed our valuable raw resources to leave this country either in the raw state or semi-processed. The trade figures show the legacy of neglect and stagnation particularly over the past 11 years and now projected as being almost nil.

Our trading deficit has sharply increased. By 1978, Canadians had bought \$12.2 billion more in manufactured products from other countries than those countries bought from us. This is equivalent to a loss of 400,000 jobs. There is no excuse for that especially since, in many cases, those same products we bought were made from Canadian raw resources.

We need to work to develop a positive industrial strategy to make use of our resource potential and to create more jobs for Canadians, a policy not to import skilled labour but a strong apprentice program for our own unemployed young Canadians. Then, and only then, will we have the tax base we require for government programs.

Canadian Forces Base Borden, the hub of activity in two world wars to preserve our freedom, is located in my riding. It is my opinion that the treatment of our military is a national disgrace. Our armed forces are undermanned, underequipped and overextended. Most of the equipment being used by our armed forces today more properly belongs in museums.

Let me compare our military record with those of the combined Scandinavian countries, Denmark, Norway, Sweden and Finland, with approximately the same population as Canada and one third-of our geographic sovereignty. The Scandinavian nations—hardly an aggressive, warlike people—have 178,600 men and women in uniform. Canada has approximately 80,000, down from over 100,000 when this Liberal government first came to power. Scandinavia spends 2.8 per cent of its gross national product on defence; we spend about 1.8 per cent. For every Canadian tank, Scandinavia has 7.4. For every fighter-reconnaissance aircraft they have 4.15. They have 202 fighter-bombers, we have none. Their ships of war outnumber ours two to one, and we with our hard won 200-mile limit. Let us not get into a cod war with Scandinavia or our Minister of National Defence (Mr. Lamontagne) will be known as the "late cod father". In order to achieve parity of spending with the Scandinavian nations, we would have to devote 1 per cent more of our gross national product annually.

Why is morale so low in our armed forces? Why are so many high-ranking senior officers taking early retirement? I would venture to guess that it is because they are tired of