

*The Budget—Mr. Berger*

provide for growth in the country, rather than cutting the guts out of the future of our young people and our economy.

**Mr. Orlikow:** Mr. Speaker, we just heard a very moving appeal by the Member for increased support for scientific research. He has pointed out the results of inadequate funding; the "brain drain" and the loss of potential jobs, with all of which I can agree. However, that is not something which just happened in the past year. For 30 of the last 36 years we had Liberal Governments. In virtually all of those years the scientific community was pointing out to those Liberal Governments that, while other countries in the western world and Japan were spending 2.5 per cent of their GNP or more on scientific research and development, Canada was spending 1.5 per cent or less. The then Official Opposition, the Conservative Party, and my Party, the New Democratic Party, joined in that criticism of the Liberal Government and promised to support the expenditure by Government of 2.5 per cent of GNP for scientific research and development.

We know that because of the present Conservative Government's fixation with reducing the deficit it has not moved toward the expenditure of 2.5 per cent of the Gross National Product on scientific research and development. In fact, the \$300 million increase which it pledged to the granting councils over the next five years will not even keep up with the increase in inflation.

Where was the Hon. Member when his Party was in Government? What assurances can he give us that if and when we have another Liberal Government it will do any better than it did during the 30 years it was in power when it failed to do that which it is calling upon the Conservatives to do?

**Mr. Berger:** Mr. Speaker, I have a great deal of respect for the Member for Winnipeg North (Mr. Orlikow) and I take his question seriously. I certainly share his concern about the past record. He talks about 30 years ago. Well, 30 years ago I was five years of age, so I have difficulty accepting responsibility for what took place at that time.

However, in NSERC's very detailed five-year plan, which the Member may have read, it is noted that over the course of its first five-year plan from 1979 to 1984 the previous trend of decline in spending on research and development was reversed. There were substantial increases in spending during the course of that first five-year plan which Liberal Governments were responsible for implementing. I know there were delays. On most occasions the spending increases came towards the end of the year and that caused certain problems. Nonetheless, the commitment by the previous Liberal Government was there. I can also say to him that it is probably only in the past five or six years that our society as a whole has become aware of the fact that we are going through a technological revolution and a tremendous investment is required in order to be competitive and keep pace with other countries.

• (1310)

As I said, I think previous Liberal Governments over the last five or six years recognized the necessities and objectives and took steps to start us moving in the right direction.

**Mr. James:** Mr. Speaker, the Hon. Member mentioned the need for more innovation and new job opportunities. He also talked about single-mindedness and doom. So far as doom is concerned, that was in the minds of the electorate by 1984, for sure. Job opportunities had diminished. We had record unemployment. Certainly the Liberal Government of which the Hon. Member was a part was single-minded in creating a deficit.

I know the Hon. Member is genuinely interested in this subject so I would point out that there are in my riding a lot of businesses concerned with research. There is a very sincere interest on the part of the private sector to participate in this program involving joint funding from the Government and private sector. The Member mentioned waste under previous Liberal Governments. Spending on these programs went from \$27.9 billion in 1974-75 to \$86.7 billion in 1984-85. Yet, as the NDP Member mentioned, there was still not the kind of funding that the Hon. Member for Laurier (Mr. Berger) says should be there for research and development.

Taking all that into context, and realizing that the people of Canada know we cannot continue this deficit spending which drives interest rates up and the dollar down, my question is this. Why was it not done then when the Government of which the Hon. Member was a part was in such a tremendous deficit spending situation?

**Mr. Berger:** Mr. Speaker, I would refer to the goal of obtaining increased spending by the private sector. This is built into the current plans of the Natural Sciences and Engineering Research Council. Some fairly credible people have expressed considerable doubt that we can obtain the commitment from the private sector which the Government has set out. Mr. Douglas Wright, President of the University of Waterloo, says that if the Government expects 50 per cent to come from the private sector, this is extremely unlikely. This does not happen even in the U.S., Japan or some western European countries. His university has a reputation for close links with the private sector, yet it gets only 10 per cent of its research funding from the private sector. We will see how this formula works, but in trying to get matching contributions from the private sector there is a danger of diverting money currently spent on research. A corporation could say that rather than spending a dollar with the Ontario Cancer Research Foundation, it will give a dollar to the Medical Research Council of Canada because it gets the Government to spend an extra dollar. I have heard this concern expressed and it has not yet been answered by the Government. We shall see.

**Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain):** Mr. Speaker, I am very pleased to speak during the budget debate today to try and bring a little perspective to what is happening