

the present fact in Canada which also involves the kind of future upon which we will build to give us the economic strength we will need.

An hon. Member: Not with your leader.

Mr. Peterson: An hon. member opposite said, "Not with our leader". Perhaps we could then refer to what his leaders have been suggesting. For example, in the budget debate we have been criticized severely for not cutting the deficit more, particularly by members of the official opposition. But at the same time that they have been calling for budget cuts and cuts in the deficit, they have asked for at least 30 brand new expenditure programs.

If hon. members opposite would look at the debates they will find that at least 30 new spending programs have been proposed by members of the official opposition. I can understand their legitimate concerns for people who are hurt, but we must ask hon. members if they are prepared to increase the deficit in order to undertake these expenditure programs and increase inflation by increasing the size of the government debt. Hon. members cannot have it both ways. It is easy to criticize. Let us come up with some concrete solutions. I have not heard from members of either of the two opposition parties one concrete alternative to the present situation in which we find our dollar at a low and interest rates at a very high level. Have they advocated that we peg the interest rate at a fixed level? No, they have not, because they know that it would be irresponsible.

It is not enough for members opposite simply to criticize. They have an obligation to the people in their constituencies and throughout this country, as members of this federal Parliament, to look at the broad national interest and to work with us to help devise alternatives if they have them. Until I see those alternatives I would have to assume that either they are convinced they would not work or that they do not have them.

I would like to expand on a few of the remarks made by the hon. member for Oxford (Mr. Halliday). I thought he made some very cogent comments in debate earlier this morning on the need for greater research and development in Canada. I think members from all sides of this House support this subject as one of our priorities in the months which lie ahead. It is the type of approach we take as part of our industrial strategy that will help build Canada's future, and we must focus on the long term.

One of the priorities for increased research and development in Canada will be added expenditures. I do not think we can get around the situation without them. I hope that these added expenditures will come through a combination of co-operative efforts undertaken by the National Research Council and the universities, but mainly by the private sector. The private sector needs the research and development in order to grow and become productive. We can utilize the NRC and the universities in co-operation and under the direction of the private sector as one means of achieving growth in research and development.

Economic Conditions

I do not think that members of this House should be satisfied with a target growth of 1.5 per cent of gross national product. The competitive realities in this harsh world are that those expenditures must go to at least 2.5 per cent. I welcome support from members opposite on that type of approach.

● (1020)

I would like to suggest that as part of this industrial strategy we ought to be looking at the concept of world product mandate. I am happy to see that corporations, both foreign owned and Canadian owned, are now developing the process of world product mandating of goods, producing one product in Canada and exporting it around the world. This is the type of program which has come about through the encouragement of our Minister of Industry, Trade and Commerce (Mr. Gray). It is one on which we should be building in the future because of its great potential to help Canadians become cost efficient and competitive in international markets.

We will have to work with the United States, our greatest trading partner, through bilateral negotiations to solve these situations. We will also have to look at increased fiscal incentives for world product mandating and exporting.

Part of this industrial strategy will have to involve reliance and co-operative effort with small business. I do not have a knee-jerk reaction as some members from the official opposition do against providing assistance under certain circumstances to small business. I do not look on this as an expenditure. I look on it as an investment, an investment in individuals who are Canadians and who have the potential for creating new jobs. After all, small business is free enterprise in action and it is the engine of our economy.

I have one caveat. When we consider assisting small business through grants or whatever, I do not think it should be a one-way street for government. I do not think that government in the public sector, which is really the trustee of all taxpayers' money here in Canada, should have no upside potential but only downside potential. When this type of assistance is given, providing that small business does profit from the incentives we have provided, then I believe the government should be able to participate on the upside in those profits as well. In that way we will have more funds to regenerate and assist the private sector and to respect the wishes and needs of small business.

I am encouraged by the foreign marketing assistance which our minister of trade is giving to small business. He has travelled around the world. I might mention the Pacific Rim conference which was the idea of the hon. member for Vancouver Centre (Miss Carney). We certainly recognize the efforts she made to start that and we are happy to have carried it on. It was a very successful conference and there will be more. This is the co-operation between government, small business and the private sector that can help make the private sector even stronger.

In concluding my remarks on industrial strategy, which I see as one of the great long-term future benefits for Canadians, one sector has been ignored, that of the white-collar worker.