

*Supply*

planned reductions in permanent employees at NRC which will produce an organization with a significantly different balance of permanent and term employees.

Is it any wonder the people of Canada think that Ottawa is in a fog? At a time when they are being called upon to sacrifice by expenditure cuts, when they are being called upon to pay more in taxes, the very core of what we need to do to improve our productivity as a nation is on the chopping block as well.

• (1020)

We need to look at the importance of scientific research as part of this effort to make Canada globally competitive. That is what we heard last night in Kitchener as well. We need the GST to make us globally competitive is what we were told.

What we need is a firm, continuing and definite commitment to science and technology, to science-based innovation to make us globally competitive. That does not mean just getting the industrial sector to do more. That does not mean that we advance our cause a bit by having government spokesmen, including the Prime Minister, going around saying: "Well, the problem with research and development in Canada is that the industrial sector does not do its share."

Just this week the science and technology committee was told: "What do you expect in Canada?" We have a very large resource-based industry and everywhere else in the world it is governments that do research and development in the resource sector. It is our weakness in the other manufacturing sectors that exposes our inability to compete unless we can learn how to do science-based innovation and move forward on that basis.

One of the most startling presentations that our committee received was that by Dr. Fraser Mustard who came before our committee some months ago and talked to us about the importance of innovation. He said, for example, that innovation is the key to economic growth and sustaining and enhancing our prosperity. He pointed out to us that innovation is increasingly science based. He said that innovation in the context of economic growth has two components, institutional innovation and

the innovation that leads to the creation and production of goods and services that are sold in world markets.

What we are witnessing today, Dr. Mustard told us, is a rapid change in the relative position of nations in the global economy as a result of institutional innovation, the creation of new technologies, new production techniques and effective capture of market share. Regions that are able to innovate in terms of developing new institutions and producing tradeable goods and services will remain strong trading regions. Regions that are not able to innovate will be fading regions.

In the context of what has happened this week, I ask myself, where is this government attempting to lead us with its policy of cutbacks and spending cuts on science and, at the same time, tax increases? Where is the government attempting to lead us?

Let us look at the National Research Council itself. This is a venerable Canadian institution. It has really been the jewel in the Crown of Canada's commitment to science over many years. It has been an inspiration to our youth. It has been an opportunity for our graduates in science and engineering to find employment. In many areas it has led the world in scientific achievement. Even as recently as December, 1987, NRC's Atlantic Research Laboratory found what might be called a needle in the haystack, according to NRC, when researchers identified domoic acid as the toxin responsible for the mussel poisonings in Prince Edward Island.

We have had so many examples of achievement by NRC and its scientists.

In 1988, NRC scientists found a new method to render high levels of PCBs safe for disposal. The discovery was made possible through the NRC's Division of Chemistry which was doing basic research on reactive intermediates.

This aspect of NRC performing basic research is very important because what we have in Canada is a very thinly spread scientific community. We have the building blocks of NRC, our universities and the private, industrial sector. In the main, our industrial sector has research facilities which are too small and inadequate for