

good thing. The recommendations, many of them made by that board, have been very positive and useful. Most of them have not been applied.

The Science Council has been producing very worthwhile reports. Many of their recommendations have been ignored.

We have had a lot of consultation, a lot of conferences, and those are good. We need to begin seeing some action. We are distressed by things like the announcement of an additional \$1.3 billion for science and technology, announced by the Prime Minister about two years ago, and we are still trying to figure out where that \$1.3 billion is supposed to go.

We are distressed that \$240 million would be put into the networks of Centres of Excellence Program, which is a good program, only to realize that what is being done with it is nothing more than a public relations exercise to expand the mandate of the National Sciences and Engineering Research Council. All of that money could have been allocated by NSERC without the glossy brochures and all of the trumpet blowing that occurred. We need to see money spent in a useful and practical way, not just public relations exercises in science and technology.

The same is true with respect to the debate about the granting councils. The minister has repeated the numbers a couple of times about how much is being increased in the budget of the granting councils this year. Yet, never once in his remarks today has he made reference to his own comment that he does not believe in the matching grants policy, which he made in the House a couple of weeks ago.

When the president of NSERC comes before the Standing Committee on Industry, Science and Technology, as he did very recently, and says that he really needs to know by September what is happening to the matching grants policy in order to be able to initiate the process for spending the next year's money, we are left in the dark. What does the government think about funding for the granting councils? Is the matching grants policy abandoned? Apparently so. If so, what is replacing it? How much money is there going to be there? We have all of these unanswered questions in the context of a lot of rhetoric, a lot of conferences and a lot of boards to discuss things.

### *Supply*

Then we have the National Research Council. What a sad few weeks it has been for the National Research Council, where for many months now, in fact several years, morale has been low. People have been worried about their jobs. This jewel in the crown of Canada's scientific establishment has been under attack by a government that professes belief in science and technology and yet does not do a thing to address the concerns of people who have devoted their lives as Canadians to serving this country in endeavours related to science and technology, and who wonder where their future lies. They will not be consulted.

Then we have the funding of industrial research and development. Again, what we have had with the performance of the government has fallen short of its rhetoric. We have the continuing spectre of Revenue Canada going into the premises of small and medium size high technology firms in this country, sending in hired guns to rip through the research projects and try to decide whether the money that is being claimed is actual research and development or not.

Again and again we get the complaints of people going in to examine projects without the slightest idea of the nature of the science that is being performed. Reassessments cost tens of thousands of dollars to challenge and take years to resolve. That is simply in the administration of the income tax rules.

We also had the cut-back in the percentage of R and D that could be claimed by large companies. So we have this inconsistency. We have lots of fine rhetoric about the need for industrial and government and university partnerships, but we continue to have difficult income tax rules with respect to industrial consortia and how they are to be taxed. Those changes, in spite of the fact that they were promised in the finance committee a year ago now, when the Minister of Finance appeared there, have not yet appeared in the Income Tax Act of Canada.

I am afraid in spite of the importance to this issue that I believe all of us prescribe in this House, we have had a continual failure in terms of activity on the part of the government in meeting the needs of Canada both now and for the future.

**Mr. Bruce Halliday (Oxford):** Madam Speaker, I am pleased to take this opportunity to make a few observations on the comments of the hon. member for Ottawa South, the opposition critic. He is a fairly new member in the House and is liked by us all, but I think we should