

*The Budget—Mrs. Sauvé*

build this country and still want to play their full part as citizens.

At the time of the last budget, we increased old age pensions from \$82 to \$86. And so, as we are fully conscious of the increasing needs of older people, we wish now to boost the pension basic rate to \$100 a month beginning from April 1, 1973. Those changes will enable older people to live more decently and reduce the gap between their income and the income of other citizens.

Mr. Speaker, within a federal government, we must closely co-operate with the provinces in order to give the people the services they are entitled to on the part of a government knowing how to assume its responsibilities.

It is also on that account that the federal government decided to change the equalization formula for the benefit of provinces, by adding new grants based upon school tax revenue.

There is no doubt that such measures will help support the provinces in their governing responsibilities.

Federalism requires a sense of balance and measure, some concern for community well-being and, above all, steady co-operation from all levels of government.

This government not only shows positively that it wants co-operation, but this time it even anticipated the requests of the provinces.

As concerns the department of which I have been made responsible, the Minister of Finance stated, and I quote:

... the experience of many decades has shown that advancing technology brings with it continued expansion in productivity and output, continued expansion in the real income that workers are able to earn, and continued expansion in the number of productive jobs available.

The very creation of the Department of Science and Technology is intimately associated with such an objective. It bears testimony to this government's new awareness of the eventual impact of science and technology on the development of this country. Innovation, research and know-how are the core of the progress achieved by modern societies.

If Canada has managed to maintain its prosperity up to now, it is mainly on account of its great natural resources and thanks to its exploiting industries. But if we want to maintain and improve our position in relation to other industrialized countries, we must now proceed to some structural changes in our industries.

Through the operations of the department of which I have the responsibility will be worked out the long term programs aimed at ensuring continuity between research, development, industrial process and marketing. In order to survive against our competitors, to dodge their control, we must in turn direct our efforts toward industries using highly skilled labour. We must know better the influence of exterior factors, such as fiscal measures, tariffs, taxes, foreign investments that affect our industrial development. One of the responsibilities of the department is to assess the influence of those factors on our economy and to pave the way for the future.

To this effect, Mr. Speaker, let me remind hon. members that, as of March 31, 1972, we have set a rule to assign the Canadian industry an increasing part of the federal needs in research and development. This initiative was

[Mrs. Sauvé.]

taken by my predecessor and has been known for some time as the "Make or Buy" principle; it enables us to elaborate in details and to implement a policy to bring research near development, to spread its effects throughout the country and to bring our industry an intellectual and innovating incentive. It will also ensure better employment opportunities in the private sector.

We must innovate if we want to ensure more and better jobs. At least, however insufficient it may be we must not lose the jobs we already have.

[English]

It is not only the person who perfects a new product or process who gains from innovation, for it also stimulates those companies that do business with the innovator: the supplier of materials, of parts, of services and of capital goods. By dealing with those firms the innovating company acts as a spur to their development. As a result, our entire industrial base and our capacity for innovation are strengthened. But that is not all. When the company perfects a new product or process, it needs new materials, new services and new capital goods, and the more the new product or process is technologically advanced, the more advanced will the new material, services and capital goods have to be.

[Translation]

In terms of other advantages, technical innovations mean, over the long term, increased profits for businesses, increased real income for labour, and improved work conditions with its "corollary", work satisfaction, a strengthened economy, and thereby increased business profits.

It is thus quite clear that innovation and increased activity in the field of science and technology are the way of progress for our economy.

Briefly, our aims in industrial technology are these: to increase innovating activity within Canada and, if we have to import technology, to do so in the manner most advantageous to the Canadian economy.

And so, Mr. Speaker, these various reflections on the budget and on the department's activity in promoting the role of science and technology in industrial development show unequivocally that our government's first concern is for the needs of Canadians; it listens to their requests, and tries, as it always has, to further their welfare and progress.

[English]

**Hon. George Hees (Prince Edward-Hastings):** Mr. Speaker, I should like to begin by congratulating the very charming and able Minister of Science and Technology (Mrs. Sauvé) on a very well delivered maiden speech. It was informative and delivered with fine style. I am sure she will make her constituents very proud that they sent her here.

• (1530)

Following the night of February 19 it became very clear that the budget that had been presented to the House and to the country was a 100 per cent election budget aimed at appearing to give something to as many as possible of those who will be voting in the general election which will