

*Government Orders*

technology. Worse yet, the cuts are in the areas of highest performance.

I will give some examples of cuts in the funds made available to granting councils. The minister told us in his 1994 budget that he would not touch the money set aside for granting councils, because of the importance the federal government attached to research and development activities. But now, in a complete about-face, the Minister of Finance is cutting the councils' funding by more than 10 per cent, despite what he announced in the 1994 budget.

In order to better understand the impact of such a decision, let us look at Canada's situation with respect to science and technology. Canada ranks sixth among the G-7 countries, just above Italy, when the size of its budget is considered as a percentage of the gross domestic product. On the other hand, according to the relevant trade journals, given the quality and use of research and the size of its population, Canada ranks second among the G-7 countries, after the United States.

This situation is primarily due to the fact that granting councils award funds to our universities and industries on the basis of merit. And yet, in his report, the auditor general has pointed out the sorry state of our science and technology strategy for the last thirty years. This is not a recent development. For thirty years now the auditor general has criticized this lack of strategy. He recommends that the government focus mainly on the most successful research activities which, in our case, are those financed by granting councils.

It is important to point out that most of the stakeholders consulted by the government, that is, the experts who testified during the consultations held on this issue, stressed that the budgets of granting councils should be maintained. These highly qualified consultants said that if research budgets had to be cut, the government should at least keep at the same level the funds allocated to the granting councils, given the effectiveness and quality of the research projects they accept, and cut elsewhere in the budget.

The government ignored these consultants' recommendations. Not only did it cut the budgets of granting councils and the research budgets of all government departments and agencies, but it has the nerve to continue giving \$1 billion in R&D tax incentives to business, arguing that the consultation process is still under way. This clearly shows, once again, that government is holding consultations just for show and to smooth the way for the blind cuts it intends to implement in its budget.

This is not a consultation process, my dear colleagues across the way. This is a case of manipulating public opinion, which really shows this government's deep contempt for the Canadian population. I also want to talk about the inequities in federal

spending. The Bloc Quebecois has always deplored the federal government's flagrant inequity in its R&D spending.

• (1050)

In 1990-91, Ontario received a 53 per cent share of federal spending, while Quebec received only a 19.5 per cent share.

The government figures I received this morning show that, since 1985-86, if we exclude the National Capital Region, Ontario has received about 22 per cent or 23 per cent of all federal science and technology research funds every year, while Quebec receives only 17 per cent. If we include the National Capital Region, we realize that Ontario has received 27.9 per cent, almost 30 per cent, every year since 1985-86, while Quebec receives only 3.1 per cent. That is government equity for you.

If we compare what the federal government spends on natural sciences in Ontario and Quebec, we see that Ontario gets between 24 per cent and 26 per cent of federal spending each and every year, while Quebec's share, if we exclude the National Capital Region, is 19.9 per cent. There is still a 6 per cent difference.

Now, if we look at what has been done in the National Capital Region in terms of natural sciences research, the Ontario side of the NCR gets 26.6 per cent while the Quebec side receives 1 per cent.

It does not take a PhD to figure out that 26 less 1 equals a 25 per cent difference. That is what the government calls budget equity.

**Mr. Nunez:** It is inequitable.

**Mr. Laurin:** The quality of Quebec's industrial structure cannot justify the low level of federal investment in research and development. Especially since Quebec runs off with more than 30 per cent of grants awarded on merit, which clearly shows Quebec's competitiveness. When our projects are assessed on their merits, we qualify for 30 per cent of the grants, but when the award is motivated by favouritism, Quebec is always out-pointed by Ontario, the other most powerful province.

**Some hon. members:** Patronage.

**Mr. Laurin:** Such an imbalance maintains provincial disparity in research and development funding. And the statistics are not mine, but the government's own. This imbalance has a direct impact on the provinces' rate of growth. In other words, this harmful policy has been operating for years. With this policy, some provinces get R and D funding, while others, like Quebec, get UI funds.

And it goes on and on, year after year, and the government keeps doing nothing about it. We have been denouncing this kind of thing for 15 years now.