

The Budget

another 5 per cent. Direct investment in all sectors will be encouraged by negotiating reciprocal agreements with Canada's trading partners, in order to reduce the withholding tax rate on direct dividends to 5 per cent.

• (1250)

Research and development: an additional \$230 million over the next five years. Lifetime capital gains: eliminated. Small business: the government will provide a small business financing program until the end of 1992, to help small businesses in financial difficulty, including farmers, to obtain loans at lower interest rates and so on and so on. I will not bore you with an exhaustive list, because I am sure you are familiar with these details. However, the incentives are there. If companies can upgrade their equipment at low cost, train their work force and acquire new technology, this will create jobs, it will get people back to work, and we will not have the problems we have now. An unemployment rate of 10 per cent may be better than 25 per cent, but it would be a lot better if we had only 3 per cent unemployment. It would be even better if we had zero per cent, and that is our objective with this budget.

I hear people on the other side criticizing the budget. Yesterday I heard the hon. member for Essex—Windsor say, in referring to the NDP's policy in Ontario, that the Government of Ontario was concerned about people, not about industry. He neglected to say, however, that the Government of Ontario increased its deficit by \$9 billion, which is what happened. Putting people first is all very well, and I certainly want to help people, but I will not help them by using band-aid solutions. I will help them if I create a climate that is conducive to creating jobs and taking care of their family.

As far as economic recovery and research and development factors are concerned, it has been a long time since businesses in this country did their fair share of research and development. They relied on what they could get from governments, and I am referring to the federal government and the provinces, to obtain technology transfers and to buy technology instead of making it. They even bought technology abroad. They even asked the federal government to set up an agency to prospect for technology outside the country, and facilitate the process of looking for technology outside Canada. We

did not renew our equipment and we thought this would go on forever.

If you consider the problems facing the pulp and paper industry in this country, that is exactly what happened. How come the Americans can produce a ton of paper more cheaply than we can here in Canada? Because they went back to school. They did research and development.

In this budget we see that we have a surplus of \$230 million for the next five years. Now you will say this is not enough, and I agree. We should have a billion. Can we afford to spend a billion dollars on research and development in 1992, with the kind of financial constraints we have? Are Canadian businesses able at this time to take the technological plunge and invest this billion dollars in research and development? I do not think so. I think we have to encourage them, give them incentives the way we are doing now for research and development, but we should not expect every business in this country to start doing research and development tomorrow morning. It just is not true, and that is not how things work.

There are two kinds of research: applied research and pure research. It all takes time and it takes a bit of logistics to get there, but it is a step in the right direction. I am glad to see this happening. I asked the Minister of Finance during one of our consultations whether it would be possible to increase budgets for research and development. He told me he would try, but there were a lot of constraints. I said it was just as important as a grant for buying machinery, for instance. In any case, he remembered what I said, and I am very glad he did, but the fact remains that we will have to put a lot of effort into this for later on.

We might not see the results, but our children and grand children who will follow in our footsteps, here in politics or in business, will see them. They will be building the future. We have to pave the way for them. We should all join hands. All members in this House should work toward the same end. We talked about positive and negative things this morning, but I wish, keeping in mind that it is the future of our children, that the criticisms would be positive I would accept them if they were constructive. They would tend to the same goals of progress, development and competitiveness in order to give our children the future they deserve.