

*Supply*

increases since he took office, and still he has doubled our national debt.

There is only one way we will get out of this terrible situation we are in and that is by earning our way out of it. In order to earn our way out of it, we have to make the critical investments. We have to make the investments which our competitors are making. No business can compete unless it has world class machinery, unless it has world class talent and employees. And this involves an investment. You do not become more competitive when you are in business by cutting your highly qualified employees, your well-trained employees and throwing them out the door just because they are paid more than the others; or shutting down your machinery. You have to compete, and business understands this. You borrow because you are going to get a higher return on the dollars that you are putting out.

• (1320)

When I say that we do not just want to be critical of the government, that we want to propose to the government some new approaches, I would like to put forward, for your consideration, some of the general areas where we have to consider changes.

The first is the role of government itself. Part of our economic dilemma in Canada today is a paradox. The paradox is a government which does not believe in government. In no other country in the world that is successful economically is the government giving up its essential role in the wealth creation process.

The government is critical to developing a new spirit of co-operation, which is the first thing we are going to have to do to get Canada moving again. This is the spirit of co-operation among all of the key players who are critical to building a strong economy: our entrepreneurs and business persons, our labour groups, our educators, our financiers and, yes, government.

Government has the critical role of bringing these players together to develop, on a concerted basis, the plans that are necessary for our long-term economic future. That is going to require some co-ordination and planning, after all businesses set five and ten year plans.

Japan set long-term goals for its economy and development strategies and the government played a strong role through low interest rates, through protecting a domes-

tic market and through keeping the Yen low so that Japanese products could take over foreign markets.

Canada is good in certain areas and we are going to have to concentrate on the areas where we have a demonstrated success and where we have a strong chance for success in the future. We must recognize that we are not going to be able to be the best at everything. The key to our future growth is going to be our human resources.

In the 1930s, Argentina had the fourth highest standard of living in the world and, today, it is in the mid-30's. Argentina was then a resource-based economy. It is now going downhill.

Canada has been, for too many years, largely a resource-based economy. We have squandered that heritage given to us by shipping it wholesale out of Canada and not adding a value in our own nation. We are going to have to emphasize the human content and this is why we have to invest in our young people in terms of training, in terms of education and in terms of retraining. There is no better investment we can make to ensure our economic future than Canada's workers and Canada's young people. They are going to have to have the latest technologies to work with; research and development.

In 1984, the Prime Minister recognized the need to double Canada's research and development efforts. He made that his election commitment. He has since preached actively on that issue for many, many years. He has given up lately. Why? When his Conservative government took over, research and development in Canada was at 1.42 per cent of our GDP. It has steadily fallen to the abysmal level of 1.28 per cent. Without a monumental national will and commitment to doubling that research and development level so we are approaching even the levels of our foreign competitors, we are doomed to becoming more and more hewers of wood and drawers of water.

Another area where it is critical that we exercise some leadership is in terms of the high degree of foreign control over our economy. This government has always said that we need foreign investment. Well, maybe we need foreign investment to buy some of our debt instruments, but even that decreases our ability to control our own economic future.