

The Budget—Mr. Gillespie

investment in research, a something for everyone philosophy. I think the time has come to apply a very much more selective approach to research expenditures, and I think this approach should be tied directly to the idea of originality, to sponsoring Canadian originality.

We need to give our investment a Canadian slant. The character of a nation, the distinguishing quality of its people, is to be found in how it comes to terms with its environment, how it responds to the land, to the weather, to climate, to nature, to its natural resources, what it builds its houses out of, what it eats, how it works to sustain life above the subsistence level, how it plays, what it writes, sings and paints—in a word, in its capacity for originality.

We should realize that our originality has been subverted by our ability to obtain the benefits of foreign innovation. The Watkins report focuses on one aspect of this, the prevalence of the manufacturing licence, of the royalty agreement and of the engineering agreement. In return for a royalty on sales and, usually, an undertaking not to export, a Canadian company obtains the benefits of foreign research and development for its exclusive use in the Canadian market. This is the easy way; it takes the risk out of research because it requires none. In my view this particular device for obtaining foreign know-how has had a more serious effect on Canadian entrepreneurial attitudes than any other single factor. The effect has been far greater, for example, than that of foreign ownership.

At the same time we must continue to concern ourselves with the development of our resources with Canadian ownership. That is not to say that we will be able to do the job alone. We must provide an hospitable climate for foreign investors, but we must also insist that future Canadian resource development will be undertaken in partnership with Canadians.

In this connection I think it most significant that the recent study completed by York University for the Toronto Stock Exchange indicated that there would be a serious lack of Canadian equities within five years. More particularly, the demand on the part of Canadians for equities will outrun supply in a ratio of approximately two to one. This has serious and far reaching economic implications in terms of foreign ownership and balance of payments difficulties.

One does not have to argue the case for efficiency in industry, nor does one have to

[Mr. Gillespie.]

argue the case for efficiency with the Canadian public. How curious, Mr. Speaker, that one should have to argue the case for efficiency in this house with hon. members opposite.

At a time when man can contemplate the surface of the moon from a transmitter he has planted there, when he can watch in the comfort of his livingroom the carnage of war as it happens on the other side of the earth, when jumbo jets and supersonics will shortly revolutionize his mobility in the air and shatter his tranquility on the ground—

Mr. Winch: But you cannot even balance the budget.

Mr. Gillespie: —when man can destroy himself with the bomb and depopulate with the pill, when the sexual revolution can rock the very foundations of great religions, when the gap between the rich nations and the poor nations grows wider and when, against this background, even the most tentative steps in the direction of parliamentary reform are resisted in the name of freedom, is it any wonder that people ask how contemporary is the parliament of Canada today and, worse still, how relevant?

This sovereign body, it has been emphasized, protects our freedoms and the personal liberty of all Canadians as no other agency or institution does. Its ritual, its procedure, its symbols all emphasize that it won its freedom from executive power. Yes, Mr. Speaker, but the pace of events has quickened. What is needed now is a realization that the freedom to change is the most important freedom of all. What is needed now is the power to engineer change. I say to the opposition, do you not recognize change when you see it?

We operate as if television had never been invented, with no apparent awareness that a two-minute interview on the national network is more effective than an hour's debate. Let us recognize the importance of the electronic media. And let us be thankful that it can inform the people in a way that we cannot.

● (3:50 p.m.)

There is an enormous credibility gap in connection with the question of government efficiency, and it will remain a yawning chasm until such time as we place first priority on the efficiency of our own operations in this house. How can we criticize waste and poor productivity in the government service if we do not first of all raise the level of our own productivity? If we fail to convert this house into an effective instrument of change we shall have failed ourselves, we shall have