

The Budget—Mr. Oberle

sity of Waterloo, has had reservations about this matching formula. He feels that this money should not have been channelled through the council. He says that it is unnecessary to have Government and bureaucratic interference in university-industry contacts, that it should be a bilateral relationship.

I would ask the Minister if he knows or if his Department has taken a look at the experience of the Quebec Government. Several years ago, that Government tried to institute the same kind of formula. It set up an office and tried to get matching grants from industry. That office closed down after a year and a half because it found that this formula just did not work.

Mr. Oberle: Mr. Speaker, I listened to the speech the Hon. Member made yesterday. He laments the fact that we should be spending three times our present levels of funding. We have to start somewhere. The funding levels that we inherited for the Natural Sciences and Engineering Research Council were roughly \$288 million. If that was a third of what we should have spent, I agree with the Hon. Member, but that is the legacy we inherited. We had to start from that level. As Mr. McNabb would be the first to admit, even if we had \$2 billion, we do not have the highly qualified personnel to do the research, nor do the universities have the money to provide the infrastructure or the overhead. It will take time to correct the sins of that Party which the Hon. Member supports.

● (1720)

I should like to refer to the comments of Mr. McNabb when he said: "I have to express a considerable degree of satisfaction given the circumstances surrounding this Budget". I also have a quotation from Dr. Wright, a renowned person in the country. Incidentally, he is the head of a university which gets most of its funding from the private sector because it knows that that is where the future lies. He said: "R and D was singled out for an increase in resources when others were cut. The Government should be complimented for heeding the call from universities and others". The Liberals are playing selective games. We are finished with playing games. In his speech the Hon. Member said: "I know there were delays on most occasions. The spending increases came toward the end of the year and that caused certain problems". I guess it caused certain problems. Has the Hon. Member ever run anything—a business, a Government or a Department? How can we encourage scientists to remain in Canada when we say that they can have \$3,000 but that the funds might run out in July, September or February? How can they plan? The money I have announced in connection with the Budget is all in the Budget; it is all there. I can now call in a professor or a president of a university and say: "This is the money you will have to spend over the next five years".

I am not ruling out that some of the assumptions in the Budget in terms of economic growth may well be exceeded. I am not ruling out that I may want to select certain priorities and call in the president of the council and give him another \$50 million for this year or \$150 million for next year. What we have put in the Budget will be spent. It is there for everyone to see and for everyone to plan. The critical element

which we introduced in 1979 was the five-year concept which the previous administration destroyed. We are re-establishing stability, but we had to start from where the Liberals left off. It was not very good, I am the first to admit, but it will increase very dramatically.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to enter into the debate because the budget proposals before us are very important to all Canadians, particularly Canadian families. To get right down to it, the Budget is unfair to ordinary Canadian families. In the time available to me, I intend to outline exactly why I feel that this is the case.

The Budget hits hard at ordinary Canadians. The Government does not seem to have learned from the last Budget. In the present Budget it has increased the taxes of an average family by about \$350 per year as a result of the increases in personal income taxes and in sales taxes including the tax on gasoline. The Government promised Canadians that they would have lower gas prices. Instead, we are getting increased gas taxes at a time when those prices should be coming down dramatically. The increase in taxes, which amounts to \$350 per year, is on top of a \$1,000 increase in taxes with which Canadian families were hit in 1985 as a result of the Budget and the Economic Statement of the same Government. It is tragic that the Government feels that it has the revenue to continue the once in a lifetime capital gains exemption but at the same time feels compelled to increase the taxes of ordinary Canadians by \$350 on top of the \$1,000 to which I already referred, for a total increase of \$1,350. That is a heavy burden for ordinary Canadians. Earlier today the Minister of Finance (Mr. Wilson) tried to explain it away. For example, he said that the sales tax increase when the Conservatives first came into power was proposed by Marc Lalonde, the former Liberal Minister of Finance. Of course the Conservative Minister of Finance had the option of refusing to implement that sales tax increase, but he chose to increase it, so it is his responsibility.

It is not only in the area of taxes that Canadian families are being hit. Let us look at the services delivered by the federal Government. The Budget cuts services which are important to those same ordinary Canadian families and communities across the country. There is a cut of some \$2.05 billion from regional industrial expansion, a reduction in money going to the poor areas in order to promote their economic development so that they can share in our wealth production. I think of the northern areas of Manitoba which are dependent upon federal dollars to stimulate economic activity. The Budget hits hard at those areas. Since the Government is cutting back on regional industrial expansion moneys, it will not be in a position to take any new initiatives in terms of economic development in areas which are in desperate need. For example, I am thinking of our inner cities. Part of my riding of Winnipeg North Centre is an area which has a very low-income population and a very high unemployment rate in comparison with the rest of the community. Inner cities could benefit from regional industrial expansion activities. We should recognize that the core areas of cities are in need of economic activity and development which