

the R & D in Canada. First of all the Wilson the cutbacks last fall and secondly as Jeff mentioned, the encouragement for more of foreign ownership which apply, I think, other things equal, to a reduction of R & D in Canada. I'm wondering how to interpret that? Does that mean that you're inviting the committee to tell you that the government policies are wrong, not to be reversed or is this a descending note from External Affairs on the policies (inaudible) the government?

CLARK:           No, not at all. I suppose what I would hope the report might do is encourage you and others to examine your own premises, to examine the premise that encouraging foreign investment necessarily is going to lead to a net reduction of research and development. I could make quite strongly the other case and I expect that here will be an opportunity for that to occur. We... you've heard Tom Siddon on the question of the implications of the restraint which the whole of the government had to exercise upon our longer term goals in research and development. Part of the point we are making is that we live now in a time when we are going to have to undergo some restraint, make some choices and our view on the reductions in R & D was that they did not limit Canada's ability to excel and be strong in that field. What we have to do is choose those areas of emphasis that make more sense for Canada in a period when we are operating under some kind of restraint, whether that's in R & D or whether that's in terms of where in the world we are active.

MODERATOR:       We have David Todd and then Courtney Tower and