

heard, both before the election and in the Throne Speech, that this government plans to expand research and development—we heard that again in answer to a question today—but have not seen any concrete action on this.

As hon. members know, right now Canada spends .9 per cent of its gross national income on research and development. The U.S. spends 2.3 per cent. West Germany spends 2.2 per cent. The results show, of course, in lack of productivity. Right now Canada's level of productivity in the manufacturing sector is about 20 per cent less efficient than that of the United States. Part of the reason lies in Canada's fewer economies of scale, but as everyone knows, nowadays technological advantage is the most critical factor affecting productivity, and that is where we are falling short.

I remind hon. members that we pay twice over for this. First, Canadian companies are not able to compete effectively and therefore do not grow as fast as they ought and do not employ as many Canadians graduating from our universities with high technology skills. Secondly, we increase our manufacturing trade deficit by the increasing levels of our high technology imports.

I have already mentioned the telecommunications industry. Let me give one more example. The computer data processing industry is a glaring example. The federal Department of Communications estimates that Canada will buy \$300 million worth of data processing services from the United States this year. This is equivalent to exporting 7,000 highly skilled jobs, and the losses would be several times higher if the data processing business which foreign parent companies sell to their Canadian subsidiaries were included in the totals. In the absence of an industrial strategy to help the Canadian data processing industry develop and to prevent its systematic takeover by foreign interests, the deficit is likely to increase. Indeed, the Department of Communications suggests that by 1984 we will be exporting 23,500 jobs in this dynamic industry and increasing our trade deficit in it to \$1.5 billion.

As hon. members know, this is the last thing we need. Because even with our trade merchandise surplus the emphasis is still entirely on raw materials. One of the things I did agree with was the paper of the Conservative party on economic development policy which was written in 1975. The Conservative party then said, and I quote:

Canadians should not consider the merchandise account to be in a balance or a surplus position unless the balance or surplus is achieved on a basis that excludes trade in raw resources.

We are at the moment running an \$11 billion trade deficit in end products. The fact that we have an over-all surplus is made up for by the fact that we are doing exactly what this paper proposed we should not do, namely, relying on export of raw resources. We have an \$11 billion trade deficit in end products. We desperately need to turn that trade deficit around. We already know that trying to do so by increasing foreign investment and increasing raw material exports to finance that investment is a futile exercise. It amounts to chasing your own shadow, with the added factor that the more you chase it the longer the shadow becomes.

Borrowing Authority

In my final remarks I would like to urge this government to reassess this tendency of its following along with the same tired out policies the Liberals followed for so many years. I remind this government that locking ourselves into high interest rates to attract foreign investment increases our foreign debt load. There is no stimulating policy for our high technology industries in Canada, and that is a direct foreclosure on Canadians being able to invest in their own country.

● (1620)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wondered what kind of a speech I was hearing while listening to the hon. member for New Westminster-Coquitlam (Miss Jewett). I thought we were dealing with a bill to increase the borrowing authority of the government based upon Bill C-37 of earlier this year which was not passed and which actually covers the borrowing authority for expenditures which have largely been consummated. Yet we have heard a run down, prepared I do not know where, of all sorts of dribs and drabs concerning economic policy which have nothing to do with this bill.

An hon. Member: Let us hear yours.

Mr. Lambert (Edmonton West): I would prefer, if the financial critic of the NDP is not here, that whoever substitutes would stick with the bill. This is a very limited bill and I do not think I should have to lecture a former university president about relevance and about not trying to throw all sorts of mud and water against the wall in the hope that a minuscule quantity will stay.

Miss Jewett: Let us have some positive policies.

Mr. Lambert (Edmonton West): It was poor quality mud and very little stuck.

Mr. Hogan: Mr. Speaker, I rise on a question of privilege on behalf of my party about not throwing dirt at our party. Surely the hon. member for Edmonton West (Mr. Lambert) can see that if there are failures in the borrowing position of this government, as we are pointing out, it is primarily due to their economic policies. This was the meat of the address of the hon. member for New Westminster-Coquitlam (Miss Jewett) and she is as free as anyone else in the House to use this occasion to introduce that.

Mr. Deputy Speaker: I think the hon. member will agree with me that the point he has raised is certainly not a question of privilege but rather a difference of opinion.

Mr. Lambert (Edmonton West): Mr. Speaker, I wish to revert now to Bill C-10. The Minister of Finance (Mr. Crosbie) has been asking for authority to extend the borrowing power of this government to borrow \$7 billion. If one goes back to the news release issued at the time of Bill C-37—and I invite the hon. member for Cape Breton-East Richmond (Mr. Hogan) to do so—then one sees that at that time the govern-