

*Government Orders*

that it is because, as an example, in 1986 there was a net reduction of 2 per cent, in 1987 there was a further reduction of 3 per cent in research and development, in 1988 there was a further reduction of 5 per cent in research and development and in 1989 there is an estimated 3 per cent reduction in research and development. How does a nation develop a market-place and labour to fit into that market-place if it does not have any commitment or any financial input into research and development or if that research and development goes on a decreasing plane year by year?

I do not know how we can sit here and listen to the exhortations of the minister that Bill C-21 is going to be the solution to all of the economic woes of Canada. It is not going to be anything like that, Mr. Speaker. In fact it is going to give the government an opportunity to cut \$2.9 billion from the deficit, which is all it is interested in, and it is going to do it on the backs of those people who have been honestly, sincerely and devotedly contributing to an unemployment insurance scheme that they thought was going to protect them against the vagaries of the market-place.

• (1240 )

I take a look at what other countries such as West Germany are doing. West Germany most people think is a lighthouse in terms of technological innovation. I know that my hon. colleague, the parliamentary secretary, who is fond of looking at all kinds of examples, will relish this one. In that same period in 1986 the West German Government input into research and development went up by 3 per cent. It went up by a further 5 per cent in 1987, a further 6 per cent in 1988 and a further 5 per cent projected for 1989.

We are going to be a competitive country when others are deliberately establishing an economic strategy, an industrial policy and a labour policy. We are going to sit back and snip, snip, cut, cut because the deficit is the only problem the world has. It is a problem, and I sincerely would wish to have an opportunity to cut it away, as much as the government if not more. But if we are going to curb growth how do we expect to generate revenues to pay off the deficit let alone the public debt?

Let us look at a smaller country, Italy. Italy is the cradle of civilization for some of us. Most of us think that, well it is in the Group of 7, but it is a poor cousin. What did Italy do? In 1986 it increased research and development funds by 4 per cent while we were already dropping that funding by 2 per cent. We are in last place so we have nowhere else to go but up. But if we cut, we get up faster, right? What did Italy do in 1987? It only raised it another 4 per cent. What did it do in 1988? The snipping disease must have caught Italy too because it dropped to an increase of 3 per cent. It learned by its mistakes, it appears, because in 1989, the government says in order to encourage greater productivity and competitiveness among our industries and in order to engage in productive labour development, creation of job and employment opportunities, do we have to put in more money because there is a greater return. You invest and you can expect some sort of return on your capital. Italy went up by 6 per cent over and above what it spent in 1988. That is at a time when we were dropping by 3 per cent. Remember, we were in last place. So what now?

I do not know how Canadians can brook this kind of misdirection—I do not want to say inaction, but misdirection on the part of this country when it comes to developing an economic environment productive for all Canadians. I just cannot understand that.

What happens? You can look at some of the statistics. We are trying to develop an intelligentsia, people who are able to meet the immediate changes; PhDs, MAs in engineering, in research, in mathematics and computers. In 1988 we show a net drop of people who are involved in engineering, just a modicum of a rise in medicine, a dramatic drop in mathematics, and a dramatic drop in computers. These are the areas where, if we are going to show some leadership, we have to start developing personnel who are willing and able to enter those fields. But we are not doing that. It might be bad enough that the government does not engage in any serious education of its population, that the government does not engage in any stimulation and development of technological innovation, but when there is a decline in our export markets as a result of our uncompetitiveness, then we have to point the finger to where it properly belongs—at government misdirection.