

that statement to read as it should, that "the government cannot develop industrial strategy", not "we". We do not want any part of that type of thinking. I think it is a cop-out for indecision which results from too much contemplation of the industrial navel. I think it results in paralysis in the final analysis. I do not think you could find callouses on the hands of most of the people who make those statements. They really do not know what it is all about in the industrial field.

We have a growing balance of payments problem, and we have a growing domestic market. We have high unemployment, and we have a skilled labour force. In addition, we have the raw materials. We are selling Canadian reactors to Korea which we need in Canada. The one we sold to India could just as easily have been used in Canada, and the one we are contemplating for Argentina could very well be placed in the Atlantic provinces.

The reason we are going in the wrong direction and that we are lacking in proper research and development in industry is that we seem to have no direction, no national goals, and no strategy of any kind. One can hardly name an industry that is not in difficulty today. The list of 19 I gave which show a deficit in balance of payments in trade is just a typical example.

There has been, in my view, little or no encouragement to small or medium size industries in the field of research and development. I know the minister has an alphabet program, but I do not know which one does this. I have read all of them and they all seem to say the same thing. They are beautiful productions, in three or four colours, but they do not seem to excite the business community very much. They seem to be scatter programs, and somewhere along the line they will have to be drawn together in order to give some clear direction. The programs have to be tied to taxation reforms and incentives and, if necessary, to tariff protections, in order to give some substance to the intention of the government.

I wonder how we can really have any confidence in the future of our industry if we have no commitment to industrial strategy, backed by proper research and development which will develop industry in the next two or three decades. Unless we take some decisions in co-operation with the provinces in the immediate future, our industrial base will continue to erode, imports will continue to increase, our balance of payments will continue to be in a deficit position, and unemployment will continue at a very high level.

I wonder sometimes just how much of this gets through to the minister during these opposition days. I think my colleague, the hon. member for Prince Edward-Hastings (Mr. Hees), said that if you keep throwing stones perhaps you will break the glass and it will get through to the government. This department has a budget of about \$4 billion and it will distribute something like \$1.372 billion this fiscal year. I think we have the right to question whether this money is being wisely spent and if it is being directed to produce a specific result in terms of industrial activity. It is our view that this is not being done.

I hope the minister will at least consider the words we have spoken and listen to the arguments we have put forth, and then come up with a new policy for the Department of Science and Technology which will give a little bit

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of a push to our industries, giving them some direction, getting them off the ground, and pointing them in the way they should be going.

Mr. S. Victor Raiton (Welland): Mr. Speaker, I was rather interested in the tone of this motion, "That this House deplores the continuing decline in Canada's scientific and technological effort" and so on and so on. The motion calls for "a meaningful science policy . . . increased scientific research and increased utilization of Canada's scientists and engineers", and so on. This would be a good motion if there were any truth in it.

Let me say right at the start, that I believe Canada is spending more money on scientific research and technological development than it has in a long time. There is a great expense in running the department to make sure that all the plans are being carried out, and this cost has increased in 1975-76.

One must remember that scientific activities in research and development pervade all government departments, many of which do their own research and development. This year the cost is expected to be \$1.25 billion in all. If that is a reduction, I should like to be shown how that is so.

We cannot be blinded by what the hon. member for Prince Edward-Hastings (Mr. Hees) has told us, that Canadian manufacturing research and development is much less than that of any of our competitors. We must remember that Canada was forced to export primary products up until the Second World War and after. We depended on wheat and ore exports in order to survive and have any commerce. Manufacturing came into its own only during and after the Second World War. So, we have a much younger base for manufacturing and research development than any of our competitors, many of which have a head start of almost a century.

● (1720)

I am very much reassured by the comments of my colleague who spoke about the Medical Research Council, and the fact that it is not only the amount of money spent that has increased but that there has been much better planning in respect of research and making decisions, as well as more monitoring of the projects after completion. As my colleague, the hon. member for Wellington (Mr. Maine), stated, rather than additional research what this country, because of its need and economy, requires, is a return from investment on its research.

In the few minutes I have, Mr. Speaker, I should like to focus on one particular segment. I want to make some observations on the present and future status of energy research and development. I would like particularly to mention conservation, the question of our fossil fuels, and other regular energy sources, as well as the more exotic forms of energy.

In the annual report of the Department of Science and Technology it is stated that the energy crisis was accepted as a fact, and that the minister considered and studied solar energy, thermo-nuclear controlled fusion programs, our depletable resources, the Canadian and foreign reaction to our CANDU system, the state of our uranium supply and demand, and the recovery and upgrading of