

Industrial Development

export incentive programs were put forward. To continue with the conclusion in the report, it reads:

—for which the market has rewarded high levels of industrial R and D.

In the first part, it is very interesting to point out that none of the high performance countries—and I should direct this to my hon. friend for Hamilton Mountain (Mr. Deans)—in the area of research and development has worries or policies regarding the location where multinational firms choose to undertake their research. We do, or we should have because of the branch plant nature of our economy. There are countries, some with populations as small as Canada and some smaller that do not use those policies.

Mr. Deans: They do not live immediately adjacent to the head office.

Mr. Evans: The hon. member is pointing out some things I am sure we will want to hear about either from his colleagues or at the end of my speech, if he wishes, he can raise some questions.

Another interesting point raised in the study is this:

Conspicuous by their absence among foreign incentives for invention and innovation are significant tax measures designed to have a major effect on the level of R and D undertaken in each country.

In other words, the kinds of policies we hear being called for in the House by some hon. members, such as for major tax incentives to stimulate R and D and innovation, are policies simply not adopted in the rest of the world.

The French government was very concerned about the level of R and D and innovation. It examined tax incentives and other things. In fact, the French government rejected tax incentives because the French came to Canada to look at the very generous tax incentives that we have here for R and D, and returned having decided they would not work.

There has to be much more fundamentally wrong with R and D and innovation in this country than simply the existence, or lack thereof, of government tax incentives. We have a very good incentive system for R and D.

I have a few points that I want to put on the record for hon. members' consideration. First, the countries leading the world in R and D generally have educational systems where science is vigorously promoted even at the primary school level and through high school years. We all have to admit that is not the case in Canada. I think all members will have to agree that it certainly is not an area where the federal government can do very much, unless we would like to see a constitutional intervention into an area of provincial jurisdiction. We have to work on that. That is a problem which we all have to work on together, federally and provincially. It is a problem which I think we will have to come to grips with very quickly.

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Secondly, most of these countries have large scale programs for the diffusion and transfer of information ranging from data banks to institutes where basic innovations are developed for commercial use. Again I think the innovation and research and

development area is an area where the Liberal philosophy has been a philosophy of saying: Let us give you a hand, let us work together, and it is the one that will work, because the evidence seems to indicate that that philosophy and approach is working throughout the entire world. These are the things we are putting forward, and the things I believe the Minister of Industry, Trade and Commerce will be putting forward as an industrial strategy. This will be a co-operative strategy, not a full-fledged private sector strategy by itself, and not one that suggests the private sector should get out of the way and let the government do it. It will be one that shows co-operation and one in which there is some hope of success in light of what we have seen in other parts of the world. Thank you very much, Mr. Speaker.

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, I will not say I am happy to be taking part in today's debate of condemnation of government policy on research spending. I do not suppose any concerned citizen would be happy to be condemning the government in which he has put his trust, but I am content to take part in it, and I am intrigued to follow the hon. member for Ottawa Centre (Mr. Evans), having listened to his definition of the philosophies of the three parties, and how they would help Canadians to accomplish even more than they accomplish today. We do accomplish a great deal today and we would not stand in the way of anyone who wants to endorse the announcement of the government of help for Telidon. That is the kind of thing that perhaps could have happened earlier, before Telidon ran into marketing problems in the United States. Comparing the \$27 million to the \$100 million France is putting into their project, I think this may be another case of too little and perhaps too late, but we will hope for the best.

The philosophy the hon. member espoused was one in respect of which I noticed that two of the parties would have government involvement in the private sector. "A helping hand", he said of the Liberal philosophy, and a "government takeover" if it was the NDP. Perhaps government involvement would be good in the private sector, as the hon. member says. Perhaps he can get the Post Office people to take their expertise into the private sector and we can then really get this country bunged up tight.

Another point he mentioned was the value of Canadian Petrofina prior to the government's intervention and helping hand in the oil industry, something which should make a good joke out west. Let me point out to the member that a year ago the value of Petrofina shares was \$50. That is about the level the public thought the value should be. It has not done anything as a company since then to greatly enhance that value. The only thing that has changed has been the federal government's interest in acquiring it. Everyone who owned shares, of course, got interested and excited. The value went up to \$60 last September, and to a \$70 range in December, and that is less than one quarter of a year ago. In January shares were \$87, but our government saw fit to offer \$120, more than double the value of the company's shares. Whether you agree with that or not, I expect soon to hear the Belgian