

would not exclude foreign owned firms. For the reasons I mentioned earlier, I think the PAIT type of program is much more important and relevant than the general one. My argument is not against foreign owned firms per se, especially in our society, but against the IRDIA program.

My second point is that positive action is required by the government not only in the area of research and development, but in all aspects of the foreign-owned sectors of our economy. The government should set up regulations as to how these firms should operate, specifically, in the context of today's debate, in the research field. If foreign owned firms are going to receive the vast majority of the government grants, as they do now, the government should work out some means in contractual form whereby these companies do a percentage of their general research and development in this country, which would correspond to the share of business they do in this country. They should not only conduct research and development in this country according to the amount of the particular grant they receive from this government, but as a rule these firms should conduct a high percentage of the total of all their research and development in this country. I ask the minister to comment on these points.

Mr. Pepin: Before doing so, Mr. Chairman, I wish to answer the question raised by the hon. member for York North. This question was in connection with the very technical amendment with respect to associated companies. He seemed to have difficulty understanding the situation. Associated corporations are not excluded now and will not be excluded from receiving research and development funds, but they cannot receive more as a combination than separately. I wish to clear up that possible confusion. Why is that? It is because we do not want these corporations to be tempted by the possibility of arranging things amongst their associated companies.

But, and this is the purpose of the amendment, if the minister finds that these companies are dealing with each other at arm's length, the minister can permit a company to receive more than it would have received under the act as it stands now. I hope that is a bit clearer.

• (4:10 p.m.)

On the subject of research by a Crown company, I suggest there are a number of agencies doing research which are quite close to being Crown companies, such as the

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National Research Council and Atomic Energy of Canada. What the hon. member may have in mind is a collective entity, one unit which would bring all these facilities together. There is a debate on that question. There are those who say that all these facilities should be in the hands of one minister. There are others who maintain that if every minister has his own program he keeps a better watch on it. Some of us think that a ministerial committee bringing all these elements together, as we have now, is sufficient.

I shall return to what the hon. member for Oshawa-Whitby has said. I had the impression that the debate between us ended in a tie. He cannot demonstrate that there is no correlation between IRDIA and research and development progress in Canada. On the other hand, neither can I demonstrate that there is a direct relation between the two. I suggest again that we call it a tie and say that, notwithstanding the great capacity for logical gymnastics we possess, neither one of us can win. My view is that whatever decline there has been would have been worse had it not been for the introduction of federal assistance programs like IRDIA and PAIT. Many factors, including the general reduction in recent years' of research and development money made available by the government for defence purposes should be taken into account in analysing the figures quoted by the hon. member.

Clause agreed to.

Clauses 2 to 4 inclusive agreed to.

Preamble agreed to.

Title agreed to.

The Chairman: Shall the bill carry?

Mr. Broadbent: Could the Chair help a relatively new member at this point? I wish to put a motion, and I hope I am rising in time to do so.

Some hon. Members: Too late.

The Chairman: The proposal before the committee now is that the bill carry.

Some hon. Members: Agreed.

Bill reported.

Mr. Pepin moved that the bill be read the third time and do pass.

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to move:

That Bill C-193 be not now read the third time but that it be read the third time this day six months hence.