

in research and development. While no changes are proposed to IRDIA at the present time, certain technical amendments are required to prevent problems that have been noted as a result of experience to date.

Although no changes are proposed to IRDIA at the present time, nevertheless certain technical amendments are being presented today for consideration. I wish to remind the House that the basic provisions for this bill are to increase research and development work in Canada. It is not always possible to measure the exact results of the IRDIA program. This is easier under a program such as PAIT, where successes have been counted over failures at the rate of two to one.

All in all, in Canada during the current year Canadians will spend about \$952 million on research and development programs. This may sound like a lot of money, but the United States will spend \$25 billion under this heading, more than 25 times what we in Canada will spend. But we can say that the Canadian program is growing and we can see that our research and development assistance is producing results. In particular, we can see substantial growth in Canadian companies that are investing heavily in research and development programs.

A recent review, Mr. Speaker, of federal government programs to encourage research development and innovation in Canadian manufacturing industries was undertaken by the Department of Industry, Trade and Commerce. The review states in part:

The need to achieve a satisfactory rate of economic growth in an increasingly competitive environment makes it essential that Canadian government policies and programs encourage increased innovation by Canadian industry.

This will require improved incentives to encourage a greater readiness in Canadian industry to change established patterns of operation, to introduce new marketable products and to specialize and rationalize. Experience over the past ten years with the various government and incentive support programs indicates that improved production and marketing performance can be achieved through incentive programs extending over the entire product cycle, that is, in research, development, preproduction and marketing. The changes in the bill before us will contribute to the development of Canada's economy and deserve the support of members on all sides of this House.

#### *Industrial Research Incentives Act*

**Mr. Pepin:** Mr. Speaker, may I say a few words in closing the debate?

**Mr. Deputy Speaker:** Order, please. I remind the House that if the minister speaks now he will close the debate.

**Mr. Rod Thomson (Battleford-Kindersley):** Mr. Speaker, may I make a brief comment? I believe Canada is spending less money on research and development than some of our industrial competitors are spending. I suggest that in some areas we could well afford to spend more. For example, let us consider atomic energy plants. We have, for better or worse, opted for a particular type of atomic energy plant in Canada. It is obvious that the rest of the world has decided to adopt another method of producing atomic energy. Not being in a position to utilize the technical innovations of other countries, we have of necessity had to develop our own system. Nevertheless, I suggest we have been somewhat lax in this field because we ought to have been spending more money on it. I am therefore glad to see introduced a bill which will encourage industrial research and make more money available for it.

A short while ago the cabinet decided that we should not in this country build an intense neutron generator. Whether that was a correct decision remains to be seen. I have the distinct impression that if we are to remain leaders in the field we have chosen, a field we have made especially our own, we shall have to undertake special research. If we wish to sell to other countries plants of the type we have developed, we must be prepared to undertake more research to keep those plants in the forefront of development.

As you are aware, Mr. Speaker, Canada has sold some Canadian-style atomic energy plants to Pakistan and India. It now appears that Belgium is to build a second atomic energy plant in Pakistan. May I ask why we were not invited to build it? Why are we not selling that second plant? Is something wrong with the first one, or do those who bought our original plants feel they must use plants of the type used by the rest of the world? If we wish to remain in the forefront of this field and sell our atomic energy plants and expertise abroad, we shall have to undertake more research. Pakistan's first nuclear power plant with a capacity of 137 megawatts is nearing completion in Karachi, West Pakistan. Built with Canadian aid, the Karachi atomic power station will swing into commer-