

see the tremendous number of high technology industries, which have spun out of the fundamental research that has occurred at those institutions, research by and large funded by governments but performed in the private sector. If an idea is generated in the private sector, the time lag between idea and commercial application is greatly reduced. When those ideas are generated in government labs there is an unwarranted delay between discovery and implementation.

In this party our opinion is by and large, except for some areas where it may be necessary, that government should not do research and development. Government should sponsor research and development. They should help pay for research and development but they should contract it out to the private sector and not do it in-house.

We also believe that there is a role for government funding for fairly large projects. In addition, that activity can be used in a beneficial way. As an example, the largest research project of this century has to be the NASA program to put a man on the moon in the United States. As a result of powerful southern Senators primarily, but for other reasons as well, a good deal of the research money provided by the National Aeronautical and Space Administration went to companies and institutions which were located in the southern United States rather than the more developed northern United States.

In the southern United States, in the so-called sun belt, one of the effects of that benefit was to create tremendous growth of high technology industries, the net result being that regional discrepancies and regional economic differences between the north and the south were greatly reduced. What would happen if we took the \$500 million a year that the Department of Regional Economic Expansion is spending—to no avail because regional problems are getting worse in this country and not better—and we used that vast amount of money to create worth-while large scale projects which would be of value to Canada? The benefits would be considerable.

In the Canadian private sector in 1971 it was estimated that industry spent .41 per cent of the gross national product on research and development. By 1977 the figure had dropped to about .3 per cent. In other words, a very serious situation in 1970 had become much worse by 1978. The last budget of March 31, 1977 had a small tax credit for R and D activities of 5 per cent, rising to 10 per cent in the high unemployment areas. The United States, which is already doing four times as much R and D as Canada, has a tax credit of 10 per cent across the board. If the government was really interested they would be looking at tax credits in the area of 25 per cent, going up to possibly 50 per cent in areas of high unemployment.

Why is this so? Very quickly, I believe the answer was given by Dr. Robert Uffen, former head of the science secretariat that existed before the creation of the Ministry of State for Science and Technology. He said, and I am quoting from an article in *Maclean's* magazine:

The Trudeau government views science and technology as instruments for political manoeuvring both domestically and in international affairs.

### *Research and Development*

That is dead accurate, Mr. Speaker. That is all this government recognizes science and technology for—as instruments for political manoeuvring. It is nice to go to Moscow and sign a scientific exchange to send a couple of scientists back and forth. It is nice, when one feels a little pressure about energy, to set up a research institute and say: “Hey, we are doing something”, and wave a flag. It is strictly a political instrument for the government’s manoeuvring both domestically and in international affairs. There is no recognition whatsoever by the senior gurus in the government opposite of the importance of science to the long-term future of the government.

It is sad to say, but investments in science and technology have a long-term payout. Investment today may not yield a return for 5, 10, 20 years. As this government thinks only of next month’s Gallup poll or next year’s election it is not going to make that kind of investment in Canada’s long term future. It is very sad for the nation, but that is the case. That is only one of a whole score of reasons why it is essential we get rid of them, and soon.

**The Acting Speaker (Mr. Turner):** Order, please. I regret to interrupt the hon. member but his allotted time has expired.

**Mr. F. A. Philbrook (Halton):** Mr. Speaker, it is a pleasure to be talking about this subject today. I would like to congratulate the opposition on putting forward this motion. In general terms it is a very good motion; the general thrust is right. The specific details of this motion probably require some further study with a fair bit of caution. There is absolutely no question, I agree with my colleagues in the opposition, that we need to be doing more research and development in this country. This is particularly so in the industrial and free enterprise sector, especially in contrast to the research that has been done in the government sector along with the universities.

We have a definite need for research and development at the present time because we have a definite need for an increased industrial thrust for an improved economy. Research and development and innovation, without question, is the base, I am sure we all agree, for a new type of prosperity and a new type of direction for this country.

Having been in research and in industry, I feel confident that we have the potential in this country to do much better and more effective R and D to produce a much more efficient industry. We have the scientists, an excess of them. They are excellent; they are as good as any in the world. Many of them have had to leave the country and go to the United States or elsewhere to follow their careers because there is not enough potential for them in Canada and in some cases they become over-specialized for a country like ours. This is not the biggest or the most powerful country in the world. We cannot enter all the brand new specialities the way our neighbour the United States does. But in the meantime we can probably provide more satisfying work for the vast majority of our scientists.

As the opposition party which proposed this motion has indicated, we also have many natural areas of research and development of industrial thrust in this country, areas of immense advantage to Canada such as the north, forestry,