

*Industrial Research and Development Act*

investment of public funds if it is proposed to continue to have a program of this kind.

**Mr. Broadbent:** Mr. Chairman, I am going to return to the use of logic. The minister does not seem to have been concerned with it at all. It is very important. I acknowledge the difficulty of making casual connections. As I understood the minister, he said that under the IRDIA program which was introduced there was some increase in the amount of research and development that was being done in this country during this period of time. The minister went on to say, and I agree, that there was a falling off of the rate of increase after the program was announced. If I understood the minister's argument, the introducing of IRDIA had some impact on all this. This is not exactly the most brilliant argument in defence of a program.

The amount of rainfall in Canada might have increased during the same period, or it might have fallen off during that same period. Did the IRDIA program have an effect on that? The production of cattle might have increased or decreased. Possibly there is a connection between the IRDIA program and that statistical happening.

It is not up to me to make a scientific argument to disprove that there is a connection between a government program and what happens in society. Surely, the onus of proof is on the government to show that there is a connection. Not many centuries ago if you accused someone of being a witch, you put that person in a bag and threw her in the water. If that person emerged from the bag alive, that proved she was not a witch. If that person drowned, it proved that she was a witch.

**Mr. Baldwin:** That is the way the government treats the opposition.

**Mr. Broadbent:** It may not be the way the government treats the opposition, but it is the type of logic the minister used in his argument. There is no logic in terms of a casual explanation. That, surely, is what is required.

To go back to the time when the IRDIA program was introduced, I suggested that the rate of increase—could I have the attention of the minister for one minute to follow my argument? Could I get the minister's attention? If one looks at the time that the IRDIA program was introduced, when it was said that research and development was going to have a positive causal impact—I agree it is

[Mr. Barnett.]

very difficult to see a causal connection—a statistical argument could be made if the curve in the graph continued upward.

**Mr. Pepin:** Not necessarily.

**Mr. Broadbent:** Not necessarily, but it could provide some kind of positive evidence. At least the first analysis might be that there was a positive effect from the program. Surely, if the curve is going up like this, and then when a program is introduced it starts to go down—

**Mr. Pepin:** Some other factors may enter into it.

**Mr. Broadbent:** I agree that there may be many other factors, but I do not agree with the minister's suggestion that somehow, in some mystical fashion, the IRDIA program must have made a positive contribution. The minister by-passed my argument that the IRDIA program conceivably had no impact whatsoever on new research and development in the country. That argument should be taken seriously.

I do not accept the minister's argument about the number of firms making applications. I also referred in the past to the applications. The point I wish to make is, with a program like IRDIA, it would be foolish for a firm not to apply for government funds to which they are automatically entitled. It is conceivable and quite probable that in many cases these firms would have undertaken a research and development program quite independently of this general program. This issue should be studied very carefully.

If there is not evidence one way or the other, I wish the minister would say that and then follow that up by saying he will have certain officials in his department make a serious study of the IRDIA program. Although I acknowledge it would be difficult to do, I would like that kind of commitment.

The minister suggested that I should not argue about the fact that research and development funds are being made available to foreign owned firms because they control such a high percentage of the industry in this country. The minister concluded that a lot of research and development would not be done if these firms were excluded. I agree in principle with that argument if that is as far as we go.

My two points are that the IRDIA program should be scrapped and that we should concentrate on a PAIT kind of program, that is to say study specific projects, from which I