

Research and Development

compare that with what other countries are doing. The proportion of the g.n.p. spent by the federal government for basic research has steadily decreased since 1969. In 1976 it was an appalling 0.07 per cent, while in Belgium it was 0.3 per cent, in Germany 0.3 per cent, in France 0.4 per cent, in Japan 0.4 per cent, and in the Netherlands 0.6 per cent of the g.n.p. In other words, Canada spent about one quarter of the average support level of these western European countries and Japan.

The Lamontagne committee, which looked into the whole question of science, reported that Canada and Scandinavia, which have comparable populations, have about the same number of researchers in universities, yet Canada has 9,000 more people than Scandinavia in government laboratories and 20,000 fewer in industry. What the minister is proposing is more concessions to the industrial community which has failed thus far.

The minister says I have it backwards. I do not. I said that we have 20,000 fewer people in industry than Scandinavia.

Mr. Buchanan: That is our problem.

Mr. Orlikow: What the minister is proposing simply will not do. The background papers tabled by the minister indicate that Canadian research and development effort over-all is "low compared to other industrialized countries". Later on in the same paper it is stated "An important component of the problem in industry is the high degree of foreign ownership". Yet we get proposals for more incentives to these corporations which have failed so miserably until now in fulfilling their responsibilities.

● (1712)

Why has this happened? I think the reasons include the following:

(1) The fact that so much of Canadian industry is in the resources area which requires little R and D. Canada has one of the lowest percentage of workers, in the manufacturing area (23 per cent) as compared to West Germany's 38 per cent, the U.K.'s 36 per cent and the U.S.A.'s 34 per cent.

(2) Canada has the highest degree of foreign ownership and control of its industry among the OECD countries. The major part of the R and D efforts of these companies increasingly takes place in the head office country. A classic example of this situation is Ford of Canada which had sales of \$4.8 billion, a profit of \$126 million, yet carries out no R and D in Canada and employs not one science Ph.D. in all its Canadian operations.

If we are going to deal with this matter of scientific research seriously, we must deal with the situation involving multi-national foreign owned corporations. Legislation is required to ensure that these companies invest a significant percentage of their profits earned in Canada in research and development conducted in Canada.

The ability of this country to function as an independent nation will depend on our capacity to develop a strong secondary manufacturing industry based on products and ideas developed from heavy investment in research and development by industry. If we are to do that we must make scientific research by governments, universities, and industry a must, not just a choice that can be ignored at will as it has been in the past, largely by multi-national controlled industry.

[Mr. Orlikow.]

[Translation]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to say a few words about the statement the minister just made which is a small step in the right direction, but a rather timid one when one considers the need for research and development in Canada.

Indeed, during a debate on March 7 last several members told the government about the needs of universities in research and development. On that occasion, I said to the minister and to the government that for several years Canada had been lagging behind in the field of research and development when compared with OECD countries and that for several years Canada had even been behind Italy which, in 1975, spent more than 1.1 per cent of its gross national product on R and D whereas Canada was content with spending 0.8 per cent only of its gross national product. Mr. Speaker, obviously we have lagged behind in research and development, and the increase proposed tonight by the minister, however interesting it may be, is not enough to make up for lost time. I think we should do better than that if we are to reach the level of industrialized countries, since we do consider ourselves members of that great family. This is not the first time that we take position in this regard and I would like to remind the minister that last year, in November 1977, during a Social Credit party convention in Drummondville, Quebec, a resolution in that vein was passed, and if I may, Mr. Speaker, I would like to read this resolution once again, and I quote:

That a Social Credit Party of Canada government would stimulate private (university) research by establishing a five-year science policy in line with the three following basic principles: (1) the necessity of an adequate budget; (2) the urgency of a long term, that is three to nine year, science policy for Canada; and (3) the presence of a researchers' representative on the grants committees.

I think that this third point is also extremely important. Only recently, a few weeks ago as a matter of fact, during the distribution of allocated votes, there were some pretty fierce confrontations and I believe that the presence of researchers' representatives on the grants committee is indispensable to ensure that the grants be given out properly and the money go where it should.

Mr. Speaker, the minister also said that some departments would be spending more than others for research and development in their own field of endeavour. That is well and good, but I think that if we want to help small business, that can only and most easily be done through departments. But I also believe that by entrusting the research to our universities, which have the proper equipment and the qualified staff, we will be able to make interesting discoveries, which will put Canada on an equal footing with any other country in the world and we will no longer need to borrow from other countries the innovations we need. We will be able to do so ourselves and we will help the expansion of research throughout the world.