

Industrial Research and Development Act

That activity has fallen off. True, if you compare the general records of foreign-owned and domestically-owned firms, you will see that foreign-owned firms have a better record. But if you look at the figures available for the past two years, you will see that foreign-owned firms have undertaken relatively less research work in this country than in the past. You might have thought they might have undertaken more, especially in the light of public attention brought to bear on them.

Mr. Pepin: I am not in a position to check on the accuracy of the hon. member's opinions. I am suggesting that depriving foreign-owned and controlled firms of the advantages of IRDIA would not be the right kind of approach to any problems which might exist. In the last couple of years, as a result of the good work of my officials, I, as Minister of Industry, Trade and Commerce, have been in the position of impressing upon foreign-owned companies the requirements of the Canadian interest.

I am sure that those in the House who preceded me in my portfolio have, on occasion, done something similar, that is, called in a firm and said, "Look, you are making lots of money in Canada; you are doing quite well in terms of plant and equipment; but research and development commands the future and we would very much appreciate it if you would develop in Canada facilities of the type you have in the United States or Europe." I have done that on a number of occasions, with some success if I might say so, not because it was I who was speaking but because I was speaking in those instances on behalf of the Government of Canada. I suggest, that the hon. member for Oshawa-Whitby ought to ask the Minister of Industry, Trade and Commerce to be even more aggressive than he has been in doing this kind of work. I suggest also that what he says about IRDIA does not really apply in the present circumstances.

The rest of the hon. member's speech, having to do with areas where more research and development ought to take place, involves a matter of opinion. Research into pollution is welcome and all the facilities of the research and development program of the government are open to companies willing to do research and development in anti-pollution equipment. But there are many other areas that are also of great importance for the future of Canada, and it so happens that we do not all agree on

what those areas are. It happens, once in a while when research is undertaken in an area we think justified, that somebody else in another country makes a big discovery in that very same area. But research and development is a difficult game, and you have to gamble at times.

• (4:00 p.m.)

All branches of my department are also there to advise industries and people of the research and development programs of the department on those areas where research and development would be most worth while. Members of the House must not forget that the department has a sort of counselling position in these matters and, in my view, does this remarkably well. In the area of electronics, for example, my department played a prominent role in making sure that what is called the third generation micro-circuits would be properly assisted. And it was. Although the area of pollution is important, one could make a case for many other areas as well; those areas too should be given research and development money. The companies have the final say on which area they will spend their money and the government assistance funds.

Mr. Barnett: Mr. Chairman, may I ask the minister a question? A few minutes ago he was giving us some statistics which, as I understood, he regarded as indicators of the success achieved by this program of industrial research which is assisted by the government. Does the minister have any indications or statistics as to what results may have been achieved, either in general or in particular instances, by way of a percentage increase in productivity as a result of the research programs which have been conducted under this program?

Mr. Pepin: I am sorry, Mr. Chairman, but I am not in a position to do that now. However, I will write to the hon. member on the subject if I can muster enough information. I know that studies are conducted in my department regarding productivity in general. I will attempt to find out if there is a known relationship between the rate of increase of research and development and the increased rate of productivity in this country. There must be a relationship, but I do not know if figures are available to demonstrate it.

Mr. Barnett: I thank the minister. It strikes me that this would be a very useful approach from which to examine the value of the