

respect of textile labelling should also include care labelling.

**Mr. Deputy Speaker:** Is the House ready for the question?

**Some hon. Members:** Question.

Motion agreed to and bill read the third time and passed.

[Translation]

# INDUSTRIAL RESEARCH AND DEVELOPMENT INCENTIVES ACT

AMENDMENTS RESPECTING ASSOCIATED CORPORATIONS, RECOVERY OF GRANTS, CONTENTS OF AGREEMENTS, ETC.

**Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce)** moved that Bill C-193, to amend the Industrial Research and Development Incentives Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, to become or remain, as the case may be, competitive in Canada and abroad in an ever freer international market, Canadian industry will have to innovate, and offer for sale goods that are increasingly useful, perfected, and sophisticated. That is its responsibility. Ours, that of the Parliament and the government is to help it, on occasion, to achieve that objective.

It must be noted that considerable progress has already been and is being achieved. For instance, in the last ten years, Canada has considerably strengthened its international position with regard to manufactured goods exports. Indeed, they represented 12 per cent of our total exports in 1959, and almost 40 per cent by 1969. That is very good.

However, that increase is not distributed equally throughout the industry. It is concentrated in a few sectors only, such as the automobile and the defence industries, where agreements with the United States on the removal of customs duties led to increased rationalization and productivity in our industry.

Mr. Speaker, one of the main functions of my department is to get other sectors of the Canadian industry to participate in the growth of our manufactured goods export trade, and one of the main ways to reach such a goal is to increase research and development in industry but also to point out their importance as well.

Research and development, that may be a stock phrase, but it is one of the main ways to realize fully our secondary industry's competitive possibilities. It is therefore essential

## Industrial Research Incentives Act

for Canadian industry to allocate adequate funds to it and to boldly apply the results of such research to the creation of new products and new processes and turn those to account on the international as well as on the national markets.

Mr. Speaker, the amounts earmarked for research and development in Canada are fortunately increasing. Considering the contribution of all participants—the federal government, industry, universities, we come now to a total of \$952 million, which can be broken up as follows: federal government: \$501 million, or 52.5 per cent; industry: \$267 million, or 28.2 per cent; universities: \$171 million, or 18 per cent; other sources: \$13 million, or 1.3 per cent. The total, as I said, come to \$952 million in 1968-69.

Considering now those which used such amounts, the distribution is as follows: \$312 million for federal government institutions, or 32.8 per cent; \$347 million for private industry, or 36.5 per cent; \$280 million for universities, or 29.4 per cent, and \$13 million for others, or 1.3 per cent.

● (4:40 p.m.)

Although the level of expenditures for research and development in Canada has significantly improved compared to previous years, it is not considered as meeting the needs of an appropriate expansion of the Canadian industry. Industry, as I said before, carries out only 36.5 per cent of all the research and development activities in Canada. Since it is in industry that research and development are used for economic purposes, industry does far too little in that field.

Therefore, the government intends to promote the continuous expansion of this work which will be of major importance for Canada and, notwithstanding the effort of the government to restrict expenses in 1970-71, in most departments and agencies, within the framework of the restraint program, the estimates of the Department of Industry, Trade and Commerce provide for supplementary funds under the IRDIA, PAIT and DIP programs; I will come back to them in a short while.

I have before me a short table which it might be worthwhile to place in *Hansard* if my hon. friends are agreeable. This short table indicates the amounts requested for 1970-71, compared to estimated expenditures of 1969-70. You will note for 1970-71 an increase of \$20.6 million compared to 1969-70. If I may be allowed, Mr. Speaker, I should like to place this short table in the official report of the debates of the House.