

Industrial Research and Development Act

agree. But for the very same reasons he cannot prove that IRDIA has not done any worthwhile work. So, let us leave it at that, Mr. Chairman. I simply cannot be more specific.

Another thing I could say is that the number of companies which applied for this research and development money in 1967-68 was 111; in 1968-69 it was 464, and the estimate for 1969-70 is 630. So, unless these people are all fools, and I do not think the hon. member for Oshawa-Whitby would say that. There must be good reasons why a total of 1,205 companies have made use of this program. If it is not a good program and does not fulfil a particular need I wonder why 1,205 companies bothered to ask for the money.

Mr. Broadbent: Because it is free money.

Mr. Pepin: They pay the major share. If I put all these things together, the number of applications, the general growth of research and development in industry, then I may say, "My God, maybe IRDIA had something to do with it." Again, I cannot be more specific than that. In these programs, you cannot point to a particular product and say that you assisted its development.

● (3:50 p.m.)

I repeat what I said at the beginning. We do not want anybody to have reasons for not undertaking research and development in this country. Consequently, since the government has a limited amount of money available it tries to develop a number of programs, so as to accommodate all companies interested in these programs of research and development.

The other point raised by the hon. member for Oshawa-Whitby, and this is almost a leitmotiv with him, has to do with foreign-owned or controlled companies. The hon. member mentioned that these companies have received \$41 million; I think that is the figure he used. I do not have the figures with me today.

If it is not surprising that foreign-owned or controlled companies should receive quite substantial percentages of these funds. In the areas we are mostly concerned about, the areas of secondary industry, over 60 per cent of Canadian industry is foreign controlled. The percentage of foreign control or ownership in our science based industries is probably even higher than that. So, again it is not surprising that such a substantial part of the

[Mr. Pepin.]

moneys available should go to foreign-owned or controlled companies. As you know, Mr. Chairman, it has to be demonstrated each time that the research and development that is to be undertaken under the assistance programs is in the Canadian interest; that the money is for research aimed at facilities and products that are to be developed in Canada and for Canada.

Again, Mr. Chairman, the hon. member for Oshawa-Whitby says that we should do more to incite—I think that is what he meant—these foreign-owned companies to undertake more research in Canada. I agree with that. But IRDIA and other programs make it easier for them to undertake research and development, with federal government assistance. If they do not undertake it, then it is the responsibility of their Canadian directors and management as well as of Canadian governments, federal and provincial alike, to impress upon them the requirements of the Canadian interest. To my way of thinking we would not be adopting an intelligent approach if we were to deprive them of government support in the undertaking of the research and development. As a matter of fact, only if we make available to these foreign-controlled companies the same facilities that we offer to Canadian-owned companies can we say, "Look, you are wrong; you are not even using the money the federal government is putting at your disposal." It seems to me that it would be only logical—and I am always very impressed by the capacity for logic of my former confrère, the professor of political science from Oshawa-Whitby—not to exclude such companies from the research and development facilities of the Canadian government.

I agree with the hon. gentleman on the other aspect, that these companies established in Canada should be always reminded of the Canadian interest. My information is—if my officials say I am wrong I will apologize for my error—that, according to studies we have made, it is demonstrated that these foreign-owned and controlled companies do proportionately more research than Canadian companies do, generally speaking. Am I right? I am right.

Mr. Broadbent: May I follow up on that point, Mr. Chairman, because I think it needs elaborating. The point is that in the last couple of years there has been a decrease in the amount of research and development undertaken by foreign-owned firms, as opposed to an increase.