

Government Organization

we must be selective in the allocation of public funds. We must assess both the international market and our available resources, and then decide in which areas we would most likely be successful in terms of developing and selling commercial, not military products.

• (3:30 p.m.)

In the civilian sector we must find out why Canadian industry has not been very responsive to the government's research and development financial assistance programs. PAIT, the program for the advancement of industrial technology, was established in 1965. The Department of Industry clearly expected to get better results than it has. For the past two fiscal years the department estimated that it would provide \$23 million for research and development under PAIT. In fact, it spent less than 50 per cent of this amount. We must find out why this is so. I have already suggested one reason, namely that the financial benefits of research and development in the military sector are better.

However, there must be other reasons and I suggest it is up to the government to find out what these are. Has the government consulted private industry? Perhaps the PAIT program should be dropped completely, or perhaps its requirements simply need modification. In either case, it should not be undermined by programs designed to finance the defence industry.

The same point is equally applicable to IRDIA, the Industrial Research and Development Incentives Act. There is no evidence which indicates that this program, established two years ago, has led to an increase in research and development in the civilian sector. In fact, what seems likely is that the government has merely subsidized private industry in doing what it would likely have done anyway without IRDIA. Again, if the government can produce evidence that suggests the contrary, I am sure most hon. members of this house would like to hear what it is. Once again the remedy would be to stop making research and development grants available to all applicants on the basis of broad general criteria, and concentrate instead on projects selected on the basis of their commercial viability in the international market.

We Canadians, Mr. Chairman, are living in an age in which research and development play a crucial role in the development and maintenance of an industrial economy. We Canadians have just recently begun to see the

[Mr. Broadbent.]

importance of this fact by at long last devoting public funds to this area. However, instead of launching a cohesive, vigorous program in the civilian sector, the federal government has started us down the military path. We must put an end to this immediately. We must shift our effort in the direction of civilian research. We have great resources. We have talented people. We must combine the two for humanitarian purposes.

Mr. Perrault: Mr. Chairman, the last two speakers in this particular debate were from the socialist party of Canada. I listened with interest to the remarks of the hon. member for Waterloo—

Mr. Broadbent: On a point of privilege, Mr. Chairman.

The Deputy Chairman: Order. The hon. member for Oshawa-Whitby is rising on a question of privilege.

Mr. Broadbent: I should like to point out to the hon. member that only one of these speakers to whom he refers would be proud to call himself a socialist, I suspect.

Mr. Perrault: Don't tell me there is an ideological split in that party.

Mr. Broadbent: There are two parties down here.

Mr. Perrault: It interested me that yesterday the villain was the United States; today it is the military clique. We have not heard much constructive criticism about how to make the Canadian economy grow, how to provide jobs for our working men and to expand trade. It amuses me to hear this assault on United States investment capital. Hon. members may be interested to know that one difficulty confronting the present government of the province of Saskatchewan is that during those socialist years in Saskatchewan almost all of the borrowings on behalf of Saskatchewan were effected in the canyons of Wall Street.

In fact, the provincial secretary spent so much time in the United States borrowing United States money that he is now a permanent resident of the United States. He became so enamoured of the country to the south of us that he decided to settle there. Despite the warnings of the Liberal party when it was in opposition that we were putting too many borrowing eggs in one United States Wall Street basket, the Saskatchewan government continued the practice. Now, the debt has to