

This procedure is not in keeping with the nature of plant breeding research in this country. Plant breeding research is an ongoing operation. There could be circumstances under which a university might have a particular expertise upon which the department might wish to draw to augment its own resources in a given project. This could be contracted out under the Treasury Board proposal, but that is hardly necessary since there are already arrangements for grants for that purpose.

There are few, if any, crops with which the department is involved for which any private facility now has the physical or scientific resources to duplicate what the department is now doing. That is one of the key arguments in this whole debate. In order to provide those resources to the private sector, government funding would be required, and of necessity that funding would be restricted to one or very few firms or organizations. This would present the practical and political problem of deciding which private facility should be contracted. For a major crop like wheat this would be completely impractical.

Finally, one particular feature of the Treasury Board proposal is completely impractical for plant breeding research. Under the proposed contractual arrangement the government would finance the cost of the research project conducted for it by a private sector facility. In return for that, the right to technical information, designs and so forth arising out of the contract would remain with the government. With regard to plant breeding this would mean that if a seed firm working under a government contract developed a useful variety, it would turn over to the government the rights to that variety.

This type of arrangement might be workable in some areas of research—and I concede that it probably would be—but not in plant breeding research. When a private firm develops a variety of grain it retains the right either to the price at which it sells the seed or to the royalty which it collects on its sale. It finances its costs and makes a profit which, of course, is the purpose for which it is involved in plant breeding in the first place. Under this proposal that would not be allowed; hence there would not be any activity in the private sector in any event.

Agricultural research is not a stop and go affair. It must continue in the light of new products and new technologies. It is difficult to see how it can be maintained by calling in outside researchers for a variety of programs. Private researchers do not have the incentive to maintain lengthy research programs. This applies not only to plant breeding but also to animal breeding research. This is not to discount the research now being carried out by various industries. Progress being made in the development of pesticides, herbicides, insecticides and fertilizers is significant and should be carried on in the private sector, but government programs must differentiate between the various kinds of agricultural research.

What is being said loudly and clearly by farm organizations across Canada is that the government must drop the idea of contracting out agricultural research because it would ulti-

mately increase costs for consumers and would worsen our balance of payments deficit.

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Farmers are going to be put in a position of competitive disadvantage in relation to other farmers in North America, mainly those in the United States. The policy we have been talking about and about which the agricultural sector is so concerned was drafted by bureaucrats who had no idea of the importance of agriculture or the effect this kind of intervention would have on this most basic industry. I urge the government to look very closely at dropping its agriculture proposal.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I welcome this opportunity of making a contribution to this very important subject before us today, namely, the state of Canada's economy, especially as it applies to the manufacturing and industrial sectors and the relationship thereto of research and development in this country.

Before beginning my main remarks let me say that I was listening with interest to the comments by members of the Conservative and Liberal parties. I wish for once the Conservatives could get their act together. We heard one spokesman say that the government should get out of research and another one say he wants the government to maintain its involvement, and he was castigating the government for its plans to withdraw from certain sectors of research.

Mr. Murta: Mr. Speaker, I rise on a question of privilege. The hon. member knows full well that the area I was talking about was a specific area of agricultural research. If he does not agree with me I hope he will stand up and say so, but I would not want him to misrepresent the remarks of members of our party in the way he has just done.

Some hon. Members: Hear, hear!

Mr. Symes: I was just listening a little bit earlier to one of the official spokesmen on science policy, the hon. member for Calgary Centre (Mr. Andre), who argued just the opposite to the hon. member for Lisgar (Mr. Murta). That is my difficulty, finding out where the Conservatives stand on this important issue. I agree with the hon. member for Lisgar, who I assume is a minority in his party, that there is a place for government research in Canada, especially in the field of agriculture and elsewhere.

Then I listened to some of my Liberal colleagues who say there is a problem but they do not know what is the cause. I should like to go into what I think are the causes of the difficulties we are in. I lay them right at the doorstep of this government and its lack of science and industrial policy over the past few years.

Research and development is essential to any modern industrial economy, and it is sad to note when we look at the history of science policy, especially in the field of research and development, that Canada has one of the worst records of any modern industrial state.