

Supply—Industry

beginning to realize that this kind of cutback cannot properly be co-ordinated or integrated into a meaningful method of combatting modern day inflation. What we should do is increase assistance to scientific research which, in the long run, will help defeat the kind of inflation we experience today. The paradox of this problem compounds itself. While we can only talk about this subject in general, it is something that has been in our minds for some time.

In these days when we should take definitive measures to curtail inflationary trends, I believe we should make more and more expenditures in aid of medical, industrial and scientific research. If the government adopted such an attitude, even in our present economic conditions, I am sure it would receive the support of the people of this country and the support of hon. members in many corners of this house. I believe in our endeavours we must emphasize what I have already referred to as selectivity and specialization in Canada.

● (4:50 p.m.)

Nations, like individuals, very often are, by nature, best at doing certain things. We in Canada must examine, more so than the United States, the quality of our ventures rather than the bigness of our enterprises. I have stated time and time again, that it is my belief that governments have a dynamic role to play in encouraging what I call individual and national excellence. I believe it should be almost a clarion call for this generation of Canadians to encourage individual and national excellence.

The minister has announced certain increases in research. We should encourage research, be it general, special, industrial, medical or university, even in periods of tight money or times when we should perhaps be cutting our spending to reduce inflationary pressures. I frankly do not think many of the measures we are adopting are any good any more. It is difficult to get economists to agree on anything. It is said that if you get 50 economists in a room you will get 50 different opinions. But I believe that most economists think we are using horse and buggy methods when we cut back here and there on some of these expenditures.

We should make more expenditures for legitimate scientific research. As I have said before, we will obtain support for such a policy because when we consider the National Research Council and all the research responsibilities that this minister has for the government and the Canadian people, we realize that

government has a real and dynamic role to play in encouraging individual and national excellence.

[*Translation*]

Mr. Tremblay: Mr. Chairman, I would like to say a few words on the item before us dealing with research expenditures of the Department of Industry.

I do not intend to tackle the problem of medical research which is no doubt related to problems with which I am not too familiar, but I do wish to deal with industrial research. We have here in Canada a very peculiar economic situation in that we have a large country endowed with vast resources but with a relatively small population. Furthermore, our economic and industrial development is closely related to that of the United States.

We are highly dependent on large American companies, which many deplore but others welcome.

There is a great deal of industrial research in the United States, the results of which are accepted without any change by the Canadian subsidiaries of American companies. We try, as best we can, to copy American made products on a scale which is often not productive. We force our market to absorb goods which have in fact been manufactured and developed to meet the needs of our American friends.

To be efficient, industrial research in Canada should be done on a far greater scale. There is no doubt that companies are concerned with the research problem but I feel that the state has an important part to play in this field due to our particular circumstances, namely the size of the country, the extent of its resources, but the weakness of the market for our products.

If the government is to help industrial research effectively, either through its own research bodies or through subsidies to industrial associations or university laboratories, there must be full awareness of our particular situation from an industrial point of view. In other words, we must find out where we fit in the North American industrial context.

In the case of many widely used products, I feel there should be no problem and our research could consist merely in improving the product as such and finding new equipment to manufacture it more efficiently. In many other fields, on the other hand, products