

Industrial Research and Development Act

tration of the dangers which exist from having such a high degree of foreign ownership of our industry and of giving grants of federal money to firms on an indiscriminate basis. I hope the minister will deal with this objection in a straightforward fashion.

The other point that I want to make this afternoon, and it will be my last one, is to make a suggestion about what the minister's department should be doing to encourage scientific research and development, and in what area Canada might begin to take world leadership. I should like to suggest that one important area which has attracted serious consideration from a number of Canadian citizens in recent months is that of pollution. This is the first time I have spoken in this House about that motherhood subject—pollution. I cannot find a person in any political party who would say that pollution is a good thing. Everyone is in favour of controlling it. In fact, it will probably replace motherhood as the all-embracing worthy cause.

Mr. Baldwin: The Criminal Code has already done that.

Mr. Broadbent: But in spite of the fact that all people in all parties want to do something about it, it is a serious question none the less. It is an area to which the Canadian government, through its spending of research and development money, might give serious consideration to encouraging our researchers to play a leading role in the world. This is an area in which studies are just getting under way. Each of us could produce a list of other sectors of the economy in which research and development is already well established, so instead of trying to get into the act in some already established field, I should like to suggest that we begin spending, say, \$30 million on research and development for controlling some aspects of pollution. This is the sum of money which is currently being wasted on the IRDIA program. We could do some serious work on the fundamental development of pollution control, on product innovation and on all other aspects of the pollution question.

We should look at air pollution, water pollution and soil pollution. We could find scientists in every university in Canada, I am sure, who would be interested in doing serious, fundamental work in these areas if they were encouraged to do so by the provision of federal government funds. The cumulative effects of this would be twofold. On the one hand, we would make a breakthrough in certain

[Mr. Broadbent.]

areas of pollution control. We would, ipso facto, remove that aspect of pollution danger. Also, from an economical point of view, which is important, we could develop new products in Canada before other countries did so and these could be sold abroad. Thus, we could establish some leadership in one sector of industry in world markets.

I should like to conclude with the specific suggestion that the minister abandon the IRDIA program. I know he is not going to do that and I know that he will attempt to justify the program. However, if he does not agree with the suggestion that he should abandon it, I hope he will give serious consideration to urging this government to provide real leadership in Canada in doing research and development on the subject of pollution.

• (3:40 p.m.)

Mr. Otto: Mr. Chairman, before the minister explained clause 1 I thought I understood it pretty well, but now that he has explained it I am not sure that I do understand it. Since then, he has had a moment to reflect with his advisers. It is my understanding that before this amendment was introduced, if there were two corporations or two companies working on development projects for which the government could contribute, nothing could be done for them if, under the Income Tax Act, they were deemed to be not at arm's length. I understand the amendment says that unless a corporation establishes to the satisfaction of the minister that the two companies dealt with each other at arm's length it can receive nothing. Am I correct in saying that if it can establish to the satisfaction of the minister that during the period of the research program they were at arms length, then the minister can give the corporation a grant or some assistance despite the Income Tax Act? I see the minister nodding his head, indicating he agrees with me. I think both of us now understand what the clause means.

The hon. member for Oshawa-Whitby made some pointed remarks about the advisability of carrying on this program, but he did not comment on what he would substitute for it.

Mr. Broadbent: Yes, I did.

Mr. Otto: He said he would discontinue the program completely and go on to pollution measures. However, I would suggest that he might be partially right—

Mr. Broadbent: Would the hon. member—

Mr. Otto: Will the hon. gentleman sit down? I will support him in his arguments