

Supply

forced the sale of that company from the original owners, known as Amoco, into the hands of Dome. And we know what a great performance record Dome has shown in recent months to the detriment and to the great financial burden of all Canadians. Now Dome, with the complicity of the Government, apparently wants to kill the mining industry in the Yukon, to close down the Cyprus Anvil Mine. They shut down the railway last week and we are told that with the cumulative snow pack it will not be possible to open that railway for at least six months. Meanwhile, the Japanese customers for that lead and zinc have found other countries to supply them that material. The contracts have not been fulfilled by Dome Mines. And we have a couple of thousand people in Faro in the Yukon who are losing hourly their entire future because of the inaction of this Government.

With respect to the Pine Point Mine in the Northwest Territories, another producer of lead and zinc, 50 per cent of that lead and zinc goes to the large smelter at Trail, British Columbia, Canada's oldest smelter. The federal Government has allowed Pine Point to be shut down because of labour problems, but primarily because the products just cannot find a market out there on a cost-productive basis. It cannot compete because of the burdens of taxation, energy costs, and all of the other factors which have prevented our Canadian mining industry from continuing to enjoy the markets which they have traditionally enjoyed.

To give an example of the value of upgrading our resources, Mr. Speaker, in terms of jobs created, it should be evident to Hon. Members of this House that if you shut down the mine at Pine Point where there are maybe 500 employees, you risk shutting down the smelter at Trail which employs some 8,000 workers because you no longer provide the feed stock for that mine. That should show the tremendous advantages in enhancing and upgrading the value of our national resources, and also the tremendous, implicit dangers in mismanaging our industry, or at least over-taxing them and burdening them with high energy costs, and a lack of Government support and encouragement for investment in this country through such measures as the October 12 budget. As a consequence, we are seeing our entire industrial infrastructure crumbling in this country. I was very disappointed that the Minister of State for Economic Development did not address this question.

In the case of coal, we have four or five major coal producers in Alberta and British Columbia all shutting down, or already shut down, and we have a major investment, including participation by the federal Government in the Northeast coal development, and no market for that coal.

Last week we saw that the Balmer Mines at Sparwood, British Columbia has laid off another 1,900 employees, essentially eradicating the economic base for another Canadian community. Yet the Prime Minister (Mr. Trudeau), on returning from his globetrotting tour to Japan and the Pacific Rim, cannot tell us what he has done to improve our ability to market coal in the Far East. What has he done to address the problem we have with Japan producing highly industrialized products which we have imported over recent years, high

quality products produced by very productive industries? We have not been able to find a way to negotiate with the Japanese a mutual trade agreement under which we would do more secondary upgrading of those products. In return, we would want to increase our sales of coal, lead, zinc, nickel and iron ore to our good Japanese friends who are so important to us in Western Canada. This Government has been dilly-dallying for months while it has seen our international resources crumble and our industries, at the same time, going without production because they have not been able to negotiate opportunities to build new plants in order to expand.

That brings me to the second important theme of my remarks, Mr. Speaker, and that has to do with the fact that we in Canada must put a much higher priority on research and development, on applying new technology. To speak about a goal of 1.5 per cent of GNP by 1985 just shows the Minister's absolute ignorance of the demonstrated value of science and technology and the important goal it plays as the underpinning element of an over-all industrial plan. It is not a matter of the Government having to take over industries, and control, manipulate and redistribute their earnings. It is merely a matter of the Government recognizing the multiplier effect which comes into play when we make an adequate investment in research and development.

It is a fact that in 1969 Canada's investment in research and development was 1.5 per cent of its GNP. By 1980 it had dropped to .9 per cent of its GNP. The Minister has nothing to brag about, therefore, when he talks about having raised it to 1.2 per cent of the GNP by 1982. That is an appalling performance, Mr. Speaker, when we realize that Japan presently spends 2.8 per cent of its Gross National Product on research and development, and its target is 4 per cent. I would like to give an illustration of how important this is. The President of the National Research Council, reporting to the committee about a year ago, talked about a study which was done in the late seventies of the benefits accruing from the expenditure of federal money on research and development programs through the Industrial Research Assistance Plan. This plan is terribly under-funded, but over that period they tracked what the return was to Canada after having spent \$100 million, roughly, on research and development. There was a seven to tenfold increase in the return in the earnings which the companies developed out of those research projects. There was over \$1 billion of earnings from companies whose economic bases were the research projects which cost \$100 million. The tax revenues which flowed back to Government in that period were \$350 million, or three and a half times as large as the initial investment.

The point is, Mr. Speaker, we have to recognize that the less we spend on research and development in this country, the fewer jobs we are going to have, and the more priority we give it, the more opportunity we are going to give to our young people. The situation in Canada is appalling, Mr. Speaker, when we look at the case of Japan, which produces eight times as many engineering graduates per capita as British Columbia