

*Oral Questions*

are in a difficult financial situation, and the first effort of business as the recovery comes along will indeed be concentrated on improving productivity.

As far as further medium and long term measures are concerned, I said that I was going to consult extensively with labour and management. I indicated that an increase in productivity was a major issue for the future of Canada. I certainly intend to address this issue in my consultations over the next few weeks with business and labour.

**Mr. Wilson:** We have heard these sorts of words from previous Ministers for some time now. The Minister surely knows that Canada's productivity record is the worst of any industrialized country in the world. He must agree that the statements he has made previously about putting all the emphasis on the six and five program are not enough—it deals with part of the problem—and that a key part of the problem is improving output in the country.

## STEPS TO IMPROVE WORKER OUTPUT

**Hon. Michael Wilson (Etobicoke Centre):** Madam Speaker, my question is to the Minister of Finance. What has the Government done since the 1980 election to improve the output per worker? That is obviously the key to productivity.

**Hon. Marc Lalonde (Minister of Finance):** Madam Speaker, indeed our level of productivity is a source of concern. I would remind the Hon. Member, however, that between 1970 and 1980 the Canadian record compared reasonably well to those of its competitors in terms of productivity.

We have had a serious problem in the last short while, and my approach is to attempt to leave room again for the business sector to invest in more efficient machinery, to improve the efficiency of plants, as well as trying to encourage labour and management to sit down together and hopefully arrive at better labour-management relations in this country than we have known in the past.

**Mr. Wilson:** Madam Speaker, I cannot let what the Minister said go without making a comment that—

**Some Hon. Members:** Order.

**Mr. Wilson:** —the productivity problem in this country began back in the mid-1970s, not in the last couple of years.

## SUGGESTED ESTABLISHMENT OF PRODUCTIVITY CENTRES

**Hon. Michael Wilson (Etobicoke Centre):** Madam Speaker, in 1961 the Diefenbaker Government formed the National Productivity Council which was to increase the awareness of the importance of productivity and to develop ways to improve productivity. A subsequent Liberal Government rolled that into the Economic Council in which it has assumed a very minor role. Would the Minister of Finance consider initiating a well-funded program to support national productivity centres across the country, involving Government, labour and the corporate sector, that would increase the awareness and the

need for productivity, develop better information programs on how we can improve productivity, and advise the federal Government and other Governments on their roles in increasing the productivity of the country?

**Hon. Marc Lalonde (Minister of Finance):** I thank the Hon. Member for his suggestion to increase federal Government expenditures. I will look at his proposal. I recall this particular arrangement that had been set up around 1960. The scheme was abandoned because it proved to be a very inefficient operation. Frankly it ended up being more like a make-believe operation than a real contributor to increasing productivity. I do not want to repeat the same mistake, but I am certainly ready to discuss and consider, with our economic partners, the advantages of any continuing institutional changes which might improve productivity. If the establishment of such centres were to be of great benefit, it would obviously be foolish for us to refuse to consider such a proposal. However, I submit to the Hon. Member that it is not necessarily by adding to institutions and to federal Government expenditures that we will succeed in improving productivity in our country.

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## SCIENCE AND TECHNOLOGY

## PROPOSED ESTABLISHMENT OF BIOTECHNOLOGY CENTRE

**Mr. Gordon Gilchrist (Scarborough East):** Madam Speaker, I would like to direct my question to the Minister of State for Economic Development and Minister of State for Science and Technology. The Minister knows that the United Nations has been seeking the establishment of a biotechnology centre, a major one in the world, and preferably in a country which is eminently suited to receiving it and operating it. Such a country, of course, is Canada, with its high education levels, with its small but highly intelligent population, and with its other resources in computers and agricultural development which would sustain it. Is the Minister giving active consideration to the establishment of such a centre, and has he taken steps to advise the United Nations that Canada wants it badly and will handle it well?

**Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology):** Madam Speaker, I am sure that if the centre comes to Canada, it will indeed be handled very well. There is a great deal of interest in the centre. The City of Montreal, like some other areas of Canada, has expressed particular interests.

We really need further analysis of this particular project. As Hon. Members know, it is primarily directed toward biotechnological research for Third World countries and for the training of Third World scientists in Canada, a very interesting project indeed.