

IRDIA program got under way. If the minister is to argue in any convincing fashion that the IRDIA program contributed in a positive way to the rate of increase in research and development, the very least he has to show is that during this period in Canada the upward curve which existed for research and development continued upward.

In fact, if one looks at the research and development pattern since the beginning of the IRDIA program one finds that the rate of increase has fallen. So, I would hope the minister will try to improve on the argument he provided on March 23 on that point. I am not in any way trying to raise a sophistical, logical point. I am trying to raise what I believe to be a very substantial point, namely, that there is no evidence to suggest that the millions of dollars involved in the IRDIA program have contributed to an increase in research and development in this country. To repeat a point I made on March 23, there is good cause to believe that far from contributing to any research and development, the IRDIA funds are simply being taken up by firms which would have undertaken research programs at their own expense. Therefore, the money is a net waste so far as the Canadian taxpayer is concerned.

While we are on the question of the use of figures, I should like the minister to explain the figures he provided on the same day as shown at page 5355 of *Hansard*. At the top of the right hand column, the minister is reported as follows:

Mr. Speaker, the amounts earmarked for research and development in Canada are fortunately increasing. Considering the contribution of all participants—the federal government, industry, universities—

• (3:30 p.m.)

And so on. He provided a number of figures. I should like to know the basis of those figures. Where did he get them? According to the records I have at my disposal, the last year for which we have meaningful statistics is 1967. So, what basis does the minister have for the statistics which appear at the top of page 5355? Unless the minister does today what he should do, that is justify the continuation of this program, I will move, at the appropriate time, a motion which would have the effect of removing this program entirely. The consensus of those people who are seriously concerned with research and development is that research aid should not be given on the basis of general grants to which everyone would be eligible, but that rather we

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should have specific programs, such as PAIT, for example. We should assess particular research projects, make a very careful assessment of their likely contribution to the economy and the scientific progress in this country, and then make a judgment.

We should, therefore, scrap all programs of the IRDIA nature and concentrate on those of the PAIT nature. Therefore, the minister has an important responsibility in this House to justify what his department is doing in the IRDIA program. Up to this point, he certainly has not done that.

Another point I should like to raise this afternoon is that if you look at the money provided by the Canadian government, that is to say by the Canadian taxpayer, you will find that about two thirds of the millions of dollars which go out in grants go to firms that are foreign controlled. If we look at the IRDIA program itself for 1968-69, we find that the major portion of these funds is going to Canadian owned firms. However, if we total all the expenditures on all research and development programs for 1968-69, we see that foreign owned firms received \$41.4 million and Canadian owned firms received \$18.7 million.

One aspect of this question of money going to foreign owned as opposed to Canadian owned firms, is that surely we should expect some meaningful research and development would be done by these firms in Canada. Certainly, there should be some response by these firms to increasing political demands that more concern be shown by these companies in Canadian developments. However, when we look at the research and development programs of the foreign owned firms for the last few years, do we see an increase in the amount of research and development they are doing in Canada, such as one might obviously expect from firms getting millions of dollars from the Canadian taxpayer? No, the evidence is just the opposite. The amount of research being done by foreign owned firms has dropped off in recent years in Canada. They are continuing to do more outside the country in the home plant as opposed to the branch plant.

The situation in the year 1968-69 was that the taxpayer of Canada put in some \$41.4 million in the form of grants to foreign companies to encourage research and development. We now find that the amount of research and development which they are doing in this country is being reduced. I suggest that this is a clear and fundamental illus-