

information, Senator Bourget, is contained in the 1965 report of the Dominion Bureau of Statistics.

**The Chairman:** I think we have that. We must have these recent reports somewhere.

**Senator Bourget:** We were supplied with so much literature that—

**Dr. Mackenzie:** Yes; you as an engineer will be surprised. I cited this the other day, and some would not believe it. But I went back to look at the D.B.S. report this morning and found that it is correct.

**Senator MacKenzie:** Would that include money spent by American subsidiaries?

**Dr. Mackenzie:** Yes, but I did not include in that amount the moneys spent in the United States for purchase of research results.

**The Chairman:** But that figure would include the money spent by those subsidiaries in Canada?

**Dr. Mackenzie:** Yes, I put in only the money actually spent in Canada in their own laboratories, and on contracts with universities, et cetera.

**The Chairman:** But this total amount spent by private industry would include quite a share which is partly, directly or indirectly, subsidized by the Government, either through tax incentives or other methods.

**Dr. Mackenzie:** Yes.

**Senator McCutcheon:** Some of it would be subsidized through the tax incentives.

**Dr. Mackenzie:** These details appear in the 1965 report of the Dominion Bureau of Statistics. I do not want to be bound by precise figures, Mr. Chairman, because I am trying to illustrate. I am not trying to prove anything mathematical.

**Senator MacKenzie:** As an illustration, Canadair in Montreal are doing a certain amount of work in the field of aeronautics, aeronautical research and aircraft building. They are in some senses a subsidiary of American companies.

**Dr. Mackenzie:** In a very real sense, I believe.

**Senator MacKenzie:** Would the money they spend on research in Montreal be included in these figures?

**The Chairman:** Oh, yes.

**Senator MacKenzie:** That is what I thought, but I just wanted to be sure.

**Senator Grosart:** Dr. Mackenzie you used the phrase "Victorian type of government apparatus" trying to cope with this revolution. I was not sure to what period you were referring.

**The Chairman:** 1957!

**Dr. Mackenzie:** I do not want to be tied down to precise definitions. In the Victorian era governments had not envisaged technological scientific development as a factor in government at all so the ordinary government machinery was not geared for it, nor was it set up to handle such things as Polymer and T.C.A. Therefore, when I referred to that period I was suggesting that in the history of our government, its operating structure has had to be modified to meet new circumstances.

**Senator Grosart:** Can a representative parliamentary system of government cope with this problem in the future?

**Dr. Mackenzie:** I believe we must make it cope, otherwise we go to dictatorship. This is a danger.

**Senator Grosart:** How do you see it coping?

**Dr. Mackenzie:** Well, I have confidence in the future. My experience over the years has been that generally speaking there is no such thing as a complete collapse, I believe the general reaction of the people of a country eventually gives us the right answer, although a lot of damage may be done in the meantime. But my experience over the years has been that the final solution has been a pragmatic solution in the best interest of everybody. I believe in good will, you see. I think that ultimately people are activated by good will.

**Senator Grosart:** I am very glad to hear that that is part of the wisdom of your experience.

**Dr. Mackenzie:** Well, it is my own personal philosophy.

**Senator Sullivan:** Dr. Mackenzie made a most interesting statement when he said that medical research is completely divorced from all other kinds of research. We will have an opportunity to enlarge on that later. I happen