

ciation at the present time is carrying out a study with the Ontario Research Foundation, which body had a new director within the last six months. We are studying with that director ways and means of working together—that is, the Ontario Research Foundation and the Canadian manufacturers as a group—and we hope we will be able to develop a close liaison and thus bring about a greater utilization of the services available.

Senator PRATT: Taking the whole of the facilities throughout Canada is it not generally thought in industry, as I have heard, that there is very little direct relationship between practical research as carried on by the Government, and industry itself? I know that the complaints are from all directions in that regard. Do you think that something like the American pattern might be brought more into play in our research relationships with the Government here? Do you think that a pattern like that of the United States might be brought more into our research relationship between government and industry, whereby a great deal more is paid by the federal government to industry to carry on research in industry, rather than industry falling in with the research pattern of departments of government?

Mr. POLLOCK: In some industries we would welcome the opportunity of doing more research for the Government. But by and large I would think that government departments would do research in the basic areas. In Ontario a good deal of work is done by industry for the provincial government in such fields as agriculture, forestry and similar fields. But in the federal field, I am sure industry welcomes the opportunity to do similar research for the Government.

Senator PRATT: You would think that the pattern in this country should be as it is in the United States?

Mr. POLLOCK: I would not like to make a statement as to what policy should be followed, but I do think that in some ways our governments should stimulate the concept of research, because we as manufacturers believe that the future of our industries lies in research, development, and more creative work.

Senator PRATT: I read in a report the other day that the contribution to industrial research and development by the government of the United States amounted to some 57 per cent of the money spent for research. This amount is spent by industry for research purposes and reimbursement is made by the Government.

Mr. POLLOCK: I am afraid I am not familiar with that information.

Senator BRUNT: Our Government is paying out considerable sums of money to industry to carry on research; it is done through the Department of Defence Production, and is going on every day.

Senator PRATT: But it is not along the line of industry generally.

Mr. POLLOCK: Not along the line of the development of industry and the service it renders to the people.

Senator LAMBERT: Mr. Chairman, bearing upon the reply made by Mr. Needles a few moments ago in connection with exports from abroad, I would point out that we have had several outstanding examples of prominent industries in this country establishing manufacturing plants broad, to the extent even of supplying Canadian markets with the output from these plants. In that connection I am wondering if that trend is likely to develop, and if so, what effect will it have on the proposals and observations contained in your brief being presented today?

Mr. NEEDLES: The situation is just one of the inevitable results of competition, if industry seeks the place where it can make its goods at the lowest cost in order to be competitive. If a Canadian manufacturer faces competition from imports at lower cost, then his only outlet is to place his industry where the same low costs are available.