

It is perfectly true, I suppose, that in the case of R.C.A., for instance, which is a wholly-owned subsidiary in Canada, the directors in the United States could make a decision to pull out of Canada entirely. But, they are not likely to do that because they have a very good and viable business here, and they make some money up here. So, there is no real reason why they should pull everything out.

The Chairman: But do you not think your argument would be much stronger if you were to say that industrial research should not be for the exclusive benefit of Canada? I refer to the illustrations you have given. You have mentioned cases of where Canada benefited.

Mr. Mackenzie: That is right.

The Chairman: I do not think the objective should be something for the exclusive benefit of Canada, but, surely, if there is no Canadian benefit at all in a project, or in a program of research, then I do not see why the Government should spend money on it.

Mr. Mackenzie: I quite agree, but it is this exclusive feature. There is a suggestion that it has to be exclusively for Canada.

Senator Grosart: I want to make it clear that I agree with you entirely. There is importance to Canada in the research that is available to us not only from abroad but in the research facilities that such companies make possible in Canada, and which provide training for our people. I agree with you entirely on that. I only raise the question of the possible consequences of one of your suggestions. That is all, Mr. Chairman.

Senator O'Leary (Carleton): Mr. Mackenzie, getting away from the international aspect of the matter for the moment, I should like to ask you how much sharing there is in Canada of the results of industrial research by purely Canadian companies. For example, if MacMillan Bloedel, which is a wealthy company, can afford certain research, and it discovers some new, better, or more efficient means of production, would they share that new knowledge with their competitors—with the Fraser Company, for example? If they do not, is there any way of making them do so?

Mr. Mackenzie: Well, in my experience the pulp and paper industry which you have picked is one industry where there is a fantastic exchange of information between all the companies, be they American-owned or Canadian-owned.

The Chairman: Yes, they have joint research.

Mr. Mackenzie: Yes, they have a joint research operation, as you know, which is supported in large measure by the Government. But the situation is quite different from that which prevails in say the chemical industry. The pulp and paper industry will let people from other companies come and visit their mills, see their machinery in operation, look at their new developments, and so on. There is an amazing interchange of information, so I do not think there is really a problem in the particular industry you have mentioned.

Senator O'Leary (Carleton): Will that apply to Alcan, International Nickel, and some of the other industries?

Mr. Mackenzie: I think the pulp and paper industry is quite different from the others—from the chemical industry and the mining industry, and so on, where there is much more concern about the proprietorship of new developments.

Senator Aird: Do you have any opinion as to why there is a difference?

Mr. Mackenzie: The chairman suggests it goes back to the thirties. It is an industry that went through an awful lot of trouble. Perhaps it is because the end product is very much the same; newsprint is pretty much newsprint when you get down to it, and pulp is pretty much pulp in the international market as distinct from a lot of chemical products and more exotic minerals and things like that. I don't really know.

Senator O'Leary (Carleton): Could there be any system devised by which government or the state could in some way say that industrial research results should be shared? By this I mean pure research and pure science. Everybody knows that if a university discovers something it is made public and all the world knows about it, but in industrial research how do they get some uniformity of benefit?

Mr. Mackenzie: I don't think they do.

Senator O'Leary (Carleton): You don't. It could well be that a good Canadian company could be put out of business by another bigger company having better industrial information. What could the Science Council do about that?