

Of course, it is true that in the early days of Canadian development, most firms depended on European industry for their basic information to improve production methods and produce new commodities. Later this dependence shifted to the United States, which, after the turn of the century, made particularly rapid strides in the field of scientific discoveries and broadly organized industrial research. But the situation in Canada has been undergoing a rapid change. As my Minister, Mr. Howe, put it only recently: "In the last twenty or thirty years, and in particular since the last War, Canadian industry has been largely developed, until we have become one of the leading industrial nations of the world. Along with this has come the gradual development of Canadian industrial research. As a result we now have a research effort in this country of no mean proportions." These remarks were part of a welcoming address which Mr. Howe offered to an O.E.E.C. mission interested in Canadian industrial development and progress in Canadian research. Apparently Europeans are more keenly aware of Canadian progress than are Canadians themselves. In welcoming the Mission to Canada, Mr. Howe emphasized the reciprocal character of industrial research when he said: "It is a pleasure...to try to show you that we now have something to offer to you in return for the information which we have received from Europe over the years." (1)

It seems to me that the benefits we are deriving from industrial research carried out abroad are in a category similar to that of the advantages that accrue to us from the inflow of foreign capital. The latter speeds up our industrial development to a greater extent than is possible with our own resources. But the investing country also benefits through larger dividend receipts and greater exports to us. The same is true for research. Canadian firms are paying royalties, results of Canadian scientific work go to other countries, and when foreign research makes possible more efficient extraction of Canadian resources, these become available to other countries in increasing quantities and at lower prices than would otherwise be possible.

This is the point I want to make - if we welcome foreign industries to Canada, why not also welcome the large amount of scientific information and technical "know-how" that these firms are able to bring with them and draw on in the future? As long as Canadians concentrate on problems that are most appropriate to their own resources, climate and needs, there will be forthcoming a continuous flow of scientific information of the highest calibre. Canadians will gladly continue to share with other countries the increasing contribution to knowledge which their distinguished scientists are making. A healthy interchange of scientific information and the benefits from applied research is already one of the features of our international relations and there are signs pointing to further growth in this interchange.

#### Canadian Problems Relating to Industrial Research

What I am saying then is that perhaps the time has come for Canadian research workers to stop playing the wallflower. So much has been achieved that it has become increasingly difficult to support the notion that Canadian development depends largely

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(1) At a reception given to the O.E.E.C. mission by the National Research Council, Ottawa, May 27, 1952.