

existence of international companies. I think it is one of the prices you pay for having the international companies operating here. I do not think it is too big a price to pay, I think we fare well, very well, but one cannot deny that this is a hazard.

Senator Grosart: As you say, we have to accept the facts of life—and on balance you would say that Canada has benefitted rather than otherwise?

Mr. Mackenzie: I do not think there is any question about that. I am hopeful we can develop some international companies. Right now we have some. We have Massey-Harris as a case in point, where the control is in Canada but the operation is spread around the world. There is also MacMillan, Bloedel, which is getting to be an international company. There is hope we might build up more ourselves. International companies are a fact of life and there is nothing we can do to change that.

Senator Grosart: It is suggested that one of the things this committee should do is to make a recommendation to the Government as to the total amount of money that the Government should be putting into R and D perhaps in terms of percentage of GNP. Do you think that makes sense, to make a set recommendation, or that the Government should adopt a policy of a minimum amount that it would put into R and D; and, if so, how could this be controlled under your proposal of tax allowance.

Mr. Mackenzie: I do not know how it could be controlled, because basically what I am suggesting as far as industrial R and D is concerned, is to rely on the individual decisions of individual companies. In that sense, you have not got control. The absolute amounts involved would probably be relatively small in relation to the total amount of the Government's effort in R and D, because this is only one aspect of it. I would think the bigger it gets, the better. I would like it because it is all coming out of profits. What I am talking about is not a commitment, you do not have to pay out money: it is a question of percentage of taxable profits which you take in the future.

Senator Aird: I wonder if you are familiar with the excellent article by Joan Fraser, which appeared in the *Financial Times* on Monday last. It ends up by posing a question or making a proposition, that the choice may

be that Canada should set up in effect a Ministry of Science and Technology or that under the Science Council it could go forward to co-ordinating other industries. I wonder if you would have an opinion between the two choices?

Mr. Mackenzie: I do not know if my opinion is worth very much.

Senator Aird: Speaking from your background, sir, and from a competitive point of view, as one having been in business and who has been faced with the problems on an every-day basis, which do you think might be more compatible or more desirable?

Mr. Mackenzie: I would much sooner see this co-ordinated, that is, the government getting advice through the science council rather than through a minister of science and technology. Personally I think we have enough ministers and departments.

The Chairman: That might be.

Senator Grosart: In the first paragraph on page 7 of your submission, Mr. Mackenzie, you make a suggestion that a body of independent government advisers be drawn from those with established expertise in the field, supported by a suitable secretariat. Is this a suggestion for something in addition to the science council and science secretariat?

Mr. Mackenzie: Oh, no, this is the science council and science secretariat. The science council is comprised of people from industry, universities, and the public service who have a knowledge of the subjects. They are not all civil servants. The whole concept was based on recommendations by C. J. Mackenzie originally.

Senator Grosart: Do you prefer the American rather than the European system?

Mr. Mackenzie: I find it difficult to see there is a job for a minister of science and technology, because his duties would cut across responsibilities of many other ministers.

Senator Grosart: Britain has one as well as, most European countries.

Mr. Mackenzie: Yes, I know they have, but I find it difficult to see how they do it. There is inevitable conflict between the ministers who have the responsibility for these operating divisions.