

**Senator Bourget:** Should they be administered by a single agency? Do you recommend that? You, Mr. Golden, may have a different point of view because if you deal only with the Department of Industry, Trade and Commerce, that is different. For other industries who would be probably involved with some other departments or government agencies it may be that it would be better to have only one agency who would administer the incentive programs. I am not giving any details, but often we have been told that they are too complicated, paperasse as we say in French.

**Mr. Richmond:** There is probably some desirability in this. I do not consider this to be a major initiative. What I think perhaps does need some examination from the standpoint of co-ordination is firstly the distribution of the funds that may be available from the government, how they are going to be spent. If there is a serious interest in industrial development then quite frankly the industry is in a better position to spend this money to get a return. That is what they are interested in the return. A return for industry is a return for the country in terms of employment, exports, and so on.

The second point which I think needs some co-ordination is that which has been touched on, the various activities that are taking place within the different in-house activities in the government. It seems to me that although you cannot legislate research in any specific direction, or I do not think you should legislate all research into a specific direction, it is a question of priorities. Perhaps there should be a little more of the in-house activity directed towards supporting the industries' down-the-road activities, not what they are doing today, what they hope to be doing five years from now. I am sure this is not new. On the other hand, I think that you cannot be too rigid again and say that all in-house activity has to be in support of something. Nobody told Edison to invent the light bulb, for example. So it is a question of how you split it up. Right now I think it may be a little bit too heavy in the direction that it is not supporting industry's desires and wishes down the road.

**Senator Bourget:** Is it the same with the universities? That they are not conducting their work as much as industry would like them to to a certain extent?

**Mr. Richmond:** I guess we would answer yes to that.

**Senator Bourget:** I do not want to criticize the universities, but this has been said here, that they should work more closely with industry so that industry will get something out of their research work.

**Mr. Richmond:** There are two reasons for that. One is the benefit to industry. Secondly, they are training people presumably to go into industry. The majority of the people intend at one time or another, I would presume, to go into industry. If they are working in an environment in which there is no relationship to what industry is doing, it is quite a gap to bridge. The other reason, of course, is that industry needs these people.

**Senator Bourget:** The reason I am asking this question is that, as you know, the governments are helping the universities. In view of this we could in our report recommend that universities should do that kind of work that will help industry to put out some new projects or things like that.

**The Chairman:** I do not think we will be able to go very far in that direction of telling universities what they should do. You can perhaps adjust your incentive programs or your research programs so that they might be influenced that way.

**Mr. Golden:** Senator, it would be wrong to suggest that there is no such co-ordination, because it does of course exist. It is a question of degree.

**Senator Bourget:** What about the manpower? Do you find, or do you expect to find difficulty in finding qualified engineers and technologists to do that kind of research that you are doing?

**Mr. Roth:** We have not as a committee answered this question, but perhaps I will get the ball rolling. I do not think that the industry presently has a difficulty in acquiring qualified engineers and scientists. We recognize though that if we do not continue to have research and development programs to attract our graduates, then we are going to lose them. This again is an incentive to continue, an indirect incentive to continue research and development support. Graduates