

**editorial**

## Research Programs Vital To Production Sharing

Defense Production Minister Raymond O'Hurley revealed in his department's estimates a new item totaling \$9,000,000 "to support selected defense development programs."

With Canada no longer in a position to develop major weapons systems independently, the minister explained, the support given to development engineering as a result of these programs would also fall off. The move to establish a separate item covering this type of work was one method of ensuring that existing engineering capacity would be maintained to the greatest extent practical.

The proposal is aimed primarily at providing Canadian companies with support for development work in areas where the end product can reasonably be expected to attract contracts under the new defense production sharing arrangement with the United States.

This type of support will be most welcome to Canadian industry. It is, of course, essential that research and development be maintained and in fact enlarged if Canadian companies are to make substantial inroads in the U. S. defense market.

In this regard, the companies themselves might well take a leaf from the government's book. DDP contributions toward research and development should

be taken for what they are no doubt intended to be — that is partial support of programs. Companies must be prepared to put some of their own capital on the line — to show confidence in their own ability.

There is ample evidence that a sound research and development program in carefully selected fields can pay handsome dividends.

Some Canadian examples which come to mind are Computing Devices of Canada with its Position and Homing Indicator (now on order for West Germany — see Intelligence); Canadian Applied Research Ltd. with its Airborne Profile Recorder (sold to the United States Air Force); Hunting Associates Ltd. with its Stereomat for automatic interpretation of contours from aerial photographs (to be produced under license in the United States); and, of course, de Havilland of Canada which has established a global reputation in the STOL field, with accompanying orders for its product.

Defense production sharing has unquestionably heightened the need for research and development by Canadian companies. It is obvious that the firm with a better mousetrap stands a much better chance of attracting contracts than the company which is endeavoring to cut a slice of the same old cheese.