

A NATIONAL GERD OBJECTIVE

There is no simple way to assess the strength of a country's performance in science and technology. Traditionally, however, the ratio of a country's Gross Expenditures on Research and Development (GERD) to its Gross Domestic Product (GDP) has been used as one indicator of the level of scientific and technological activity. In Canada, this ratio has hovered between 1.0% and 1.5%. These figures are lower than those of most of Canada's international competitors. Therefore:

- 1. The Committee recommends that the federal government set a national goal of achieving a level of Gross Expenditures on Research and Development equal to 1.9% of the Gross Domestic Product by the year 2000, and 2.5% by the year 2005.**

FEDERAL ACTIVITIES

A. Priority Allocation of Federal S&T Resources

Since a nation's GERD is in part determined by the expenditures of the federal government on science and technology activities, increasing the GERD may require additional federal expenditures. The Committee is aware of the budgetary concerns of the government, but it also recognizes that expenditures on science and technology are an investment in the future ability of the country to generate wealth. The Committee is convinced that without these investments Canada will be unable to preserve its high standard of living. Although the Committee does not advocate increasing total government expenditures, it does urge the federal government to reallocate its resources in order to strengthen selected federal science and technology programs. Several key areas have been identified by the witnesses as deserving additional federal support.

In Canada the three granting councils—the Natural Sciences and Engineering Research Council of Canada (NSERC), the Social Sciences and Humanities Research Council of Canada (SSHRC), and the Medical Research Council of Canada (MRC)—are the primary sources of funding for much of the basic research carried out in our universities. Without a strong capacity to perform basic research the country will be unable to develop and implement the technologies required to preserve its competitiveness in the coming decade.

The work of the Science Council of Canada has proven to be a worthwhile source of policy advice on both current and future science issues in Canada. Its ability to continue to provide valuable guidance on the direction of science in this country must be enhanced.