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fering in the way I have already described—there were some things that it simply could not afford to do, even though, in the council's view, they were very important things to do. The cancellation explicitly stated that they were things which the council believed were important and did not want to remove from its mandate, but which it simply was not in a position to continue doing at the present time. In some cases the administrative costs for those programs—particularly in person-year terms—were relatively high. Simply because of the nature of the activity, it required more of our precious person-year time and operating budget than we could afford.

**Senator Haidasz:** What happens if some foundation or university abroad wants to match some funds for research programs? They can no longer do that? Concerning the ones that you cancelled with France, Hungary, Japan and China, what happens if they come up with a proposal to match the research?

**Dr. Heintzman:** I am not sure that I can comment on a hypothetical situation. I think that if someone offers the council money to do something, we would consider it.

**Senator Haidasz:** You also stated that you would like to see R&D tax credits available for research in the social sciences. Have you seen the minister or his officials about that matter?

**Dr. Heintzman:** Yes. There has been considerable discussion with government officials at various levels over the past year. Indeed there was a report and resolution of the standing committee of the House of Commons recommending that, in the case of the matching grants program, the restriction imposed by Regulation 2900(f) be removed; and, yes, our president has had discussions with the Department of Finance and the relevant ministers. The Department of Secretary of State has also been informed.

**Senator Haidasz:** What has been the conclusion of those talks or discussions?

**Dr. Heintzman:** The view of the Department of Finance to date is that the question is not closed, but that to date they have not found a means by which they think it could be easy to administer and which would not have sufficient loopholes to allow significant draining of tax funds. So I think that one of the tasks facing us is to try to redefine the issue in a way that the Department of Finance can live with.

Whether their position is justifiable in the case of the matching funds program itself is, I think, a relevant question. I think it would be possible for them to unhitch the provision in the Income Tax Act relating to the matching funds policy from the other regulation, while maintaining it in place for the broad purposes of tax, without creating an enormous difficulty—because, as we can see, the size of private sector contributions to administer social sciences is not enormous.

**Senator Haidasz:** I guess your council is pursuing this matter with the Ministry of Finance?

**Dr. Heintzman:** Yes, we are.

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**Senator Marsden:** I would like to ask you—we asked this of Dr. May—whether you think that the matching grants program has had a steering effect on the direction of research that the council has funded or undertaken, in either of one or two ways: Do you think that universities and faculty members are readjusting their research to try to be attractive to university endowment funds, or the private sector, or not for profit corporations—or are the committees of your council, which decide on the allocation of grants and awards, taking this into account in ways which they did not do before?

**Dr. Heintzman:** On the last question, I think the answer is "No." I do not think that our adjudication committees are in any way affected by the matching grants policy. They are simply adjudicating applications on the basis of research excellence in the way they always have.

On the question of whether researchers in universities or research projects are redefining their projects of topics in ways to attract private sector funds under the matching funds program, I do not think we are in a position to comment; I do not think that I have any information on that, and I do not believe the council has generally.

**Senator Marsden:** But the council has strategic grants programs in connection with which they do want to get people to redefine their interests in a certain way. They have been quite successful in getting people to redefine their interests.

**Dr. Heintzman:** We know what our strategic programs have done. What I do not think we can tell, however, is whether the matching-funds program itself has been a significant incentive for any particular researcher to redefine his project or to go to a new area. I just do not think we have any information on that.

**Senator Marsden:** I understand the terms of reference for the major review, which was built into the matching-grants program but has not yet been struck. That would seem to me to be an important term of reference.

Can you tell us what kind of private-sector enterprise funds research in this area, and in what areas that money is spent?

**Dr. Heintzman:** I do not think we can, at this point. Mr. Treasurer, do you want to comment?

**Mr. Gaston Bouliane, Social Sciences and Humanities Research Council:** I am sorry, I did not hear the senator's whole question.

**Senator Marsden:** Can you tell us what kind of private-sector groups fund research groups in the social sciences and where that money is spent? For example, is it spent largely on management studies programs, on employee adjustment research, or is it spent on medieval history and scholarly publishing?

**Dr. Heintzman:** We have a breakdown for the matching-funds program as a whole as to the disciplinary area for which eligible funds have been reported, and I can give you the breakdown, if you like, of the various areas. For example, the humanities had 23 per cent of the eligible funds contributions