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The Chairman: Yes, on which this committee has previously commented.

I do not wish to take up too much of the committee's time, but I would just like to ask you a couple of other questions. How many people have you added to your staff since the beginning of this program?

Dr. May: We have added 16 since the program announcement was made. I should add to that that this is a particularly labour-intensive program compared to some of our other programming because it involves bringing two different partners together, namely the university and the industry, and will later include a negotiated process of developing a proposal. However, the short answer is 16.

Senator Marsden: Do any of the funds that come through this program go towards paying the salaries of people who must operate the university end of the matching grants program?

Dr. May: They may.

Senator Marsden: Those funds may be used for salaries?

Dr. May: Yes. I will take a specific example. The industrial research chair program is a program whereby the full salary of the professor who is appointed is paid.

Senator Marsden: But what about the staff people, the non-faculty people?

Dr. May: Yes. You could have a research team which includes post-op students and technicians.

Senator Marsden: What about secretaries or filing clerks?

Dr. May: Secretaries and filing clerks tend to fall into the category of overhead.

Senator Marsden: Exactly, so universities have probably not added the comparable 16 staff members to complement the 16 on your side.

Dr. May: They usually have to, because it is really a three-way commitment. If the university accepts industrial funding and NSERC funding for an industrial research chair, there is always a concomitant necessity for the university to contribute to the overhead, and they do.

Senator Marsden: I hope I will have the opportunity to talk to university people about this problem and the necessity to contribute.

I have just one further question. Some of Canada's leading economists suggest that we are mad to think about undertaking R&D here in Canada because we can import it cheaper, better and faster. In the last page of your statement, you say:

I think we all agree that Canada could have a much stronger industrial R&D base than it currently has and

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that everything must be done to stimulate Canadian business to perform and use more R&D.

I suggest to you, Dr. May, that that is not the advice that a lot of Canadian business is receiving from some economists. What is your view of that problem?

Dr. May: I am convinced even more that economics is the dismal science.

Senator Marsden: No argument there.

Dr. May: However, my serious answer is that we have depended for a long time on immigration from other countries to solve all our problems, including our R&D capacity. Fully 50 per cent of our grant holders are first generation Canadians, and that is marvellous. However, the next question is: Can we expect to continue to do that through the 1990s and into the twenty-first century? I have not talked to any economists, but people in business and in universities and in the technological world do not think that we can continue to do that, because every other country has the same aspirations as we do, to increase capacity, to have a high-tech industrial base, knowledge-intensive industries, et cetera. Therefore, I think the chances of our being able to continue to rely on people from other countries to supply half the scientists and engineers that we need is likely to result in our being very sorely disappointed.

Senator Marsden: Thank you.

The Chairman: Senator Haidasz?

Senator Haidasz: Thank you, Mr. Chairman. First of all, I have a general statement to make. I was shocked to hear that, after all the taxpayers' moneys that have been flowing from our provincial and federal governments for post-secondary education, even today the equipment at our universities is obsolete, as you say in your statement on page 4, and the environment is not stimulating enough to produce a good scientific effort. It was also disappointing to hear that in 1988 we still do not have what you call the best scientists and the best students to do the job of developing effective R&D research results. Is that really true, Dr. May?

Dr. May: I think I would prefer to say that—

Senator Haidasz: Are you exaggerating?

Dr. May: No, I am sounding a warning that we may be slipping; that we may not be in a position to maintain an environment or to ensure that state-of-the-art equipment is available. The problem is there, and I see it growing unless more resources are committed to it.

Already some university people are using the line that the equipment in the labs is older than the students they are training. Of course, that is not universally true but, to the extent that it can be said of any institution, it is problematical. Thus, you can wind up training students on equipment that is not the equipment they will see when they graduate and are employed by the industrial sector; so they will have to be trained again. This is not very productive.