

Dr. Schneider: Well, these are funds that come from other agencies; they could be federal government agencies, foundations and so on.

Professor Bonneau: Foundations.

Senator Grosart: We hear the figure given that the federal government is contributing 50% of the total cost of all post secondary school education.

I presume that would take in the grants as well, so it would seem to me that your proportion of \$51 million then is a very large part of the federal government's contribution to university R&D.

The other figure takes in all university costs, not just R&D. I am trying to find out how much of this gap the NRC is filling in what appears to me to be almost a gratuitous assumption of a responsibility.

If we were to check this criticism, if you like to call it that, by the Glassco Commission and the Engineering Institute that you have gone away from your terms of reference; I am not saying that I agree with it, but this is what they have said, that if you read your terms of reference in the Act in Section 13, they interpret this as saying you should be putting nearly all your money into industrial research and that is why I say this may be a gratuitous assumption of a responsibility.

This is what concerns me in the policy field: Is this government policy, can you call this government policy when you step in and say, here is a gap and we are going to fill it?

Dr. Schneider: Perhaps I could best answer that by going back a bit to when the Research Council was first established.

You are quite right in saying that in our Act there is certainly no mention of this kind of a program. When the Council was first established and they were supposed to undertake and support and coordinate research, they found that there were just so few trained research people in the country that the very first thing that they had to do was provide for training for research.

This is how this program got started, way back in 1917, or 1918, and it has continued.

Now, as I understand it, the discussions of the federal government with the provinces was that there was mutual agreement that the federal government has a responsibility, in the research area. This, of course, does not make this a statutory responsibility as far as

NRC is concerned, but at least I suppose it is fair to say that this is being done with the full agreement of the provinces.

I think that as far as the total funds are concerned, you mentioned something like \$51 million in research grants, my guess would be that this is still quite a lot less than the ordinary operating funds, but, of course, this only goes to support the specific research area and would presumably not be covered under the ordinary operating funds of which the federal government provides half through fiscal transfer.

Senator Grosart: Then I am still on this question of where the decision is made: Would it be fair then to say that this gap exists, and I am not in any way criticizing your move into the gap, but would it be fair to say that the NRC saw this gap and persuaded the government or the governments that the way to fill it was to have NRC provide in this year \$51 million?

Senator MacKenzie: Mr. Chairman, could I interject a comment here, because as I understand it what the NRC is doing in the universities in the main is supporting research and that is its function; not supporting the universities and not doing what you suggest it is doing, filling a gap. It is concerned with the promotion of research in Canada and it has found the easiest, best and most efficient vehicle through which to do it for certain purposes is the university and if you want NRC to recreate here and across Canada, if you like other research institutions in which this work can be done, this can be done at a cost to the taxpayer and the federal government.

Senator Grosart: Senator, I am only asking questions.

Senator MacKenzie: But they are loaded questions.

Senator Grosart: I am not attempting to provide any answers; this will be a responsibility of the Committee at some time, and I shudder to think how we are going to handle it.

Could I ask another question, just again to try to put the function and responsibility of NRC in some kind of focus: We have a figure of 1.3% GNP is the total Canadian expenditure on R & D. If my arithmetic is correct, that is about \$800 million. Your share,