Senator Marsden: On page 6 of your brief, you are talking about who makes contributions. In other words, 80 per cent of the eligible private-sector contributions came from the endowment funds of large universities, and so on, and therefore these large universities receive 80 per cent of the return rate paid by the council. However, you then go on to say that this fund-raising benefits the entire research community and that you redistribute these funds through programs to all successful applicants. My question is: Is this a conscious redistributive mechanism to ensure that universities which are not large, or which lie in outlying parts of the country, receive funds?

Dr. Heintzman: No, not in that sense. It is simply that the moneys that the council receives through the matching-grants program go into our regular program activities. Therefore they are funds which researchers, no matter where they are located in the country, can compete for on the basis of excellence. Indeed, as it happens, our distribution of research funds across the country by region is not far off, in percentage terms, distribution by population, although decisions are made on the basis of excellence.

However, that is not the case with respect to incentive grants. Under the incentive-grant program, the prairie region and Ontario—particularly Alberta and Ontario—come out significantly ahead, because they have access, apparently, to significant private-sector contributions.

However, in our normal research-granting activities, to which the bulk of the matching grant goes, other than the incentive grant, researchers anywhere in the country can compete on the basis of excellence and, in fact, although it is on the basis of excellence, the regional distribution is not far off the distribution of population.

Senator Marsden: Thank you. In your brief you also point out that if you are successful with this, essentially you will be punished because the matching grants are not in the base budget. Therefore there are two disincentives for your council to make matching grants a success: One is tax and the other is this erosion of the base budget. Might I ask: What are your plans for coming to terms with these problems, insofar as the universities and others are concerned? In other words, short of planning meetings, negotiations, conferences et cetera, will you be able to work this out? According to Dr. May, NSERC is in a far better position than you are.

Dr. Heintzman: Senator, we are having ongoing discussions with government officials about the future of the program, and recently we made clear to them our concern about the fact that without some kind of assurance, the council would fall off the precipice in a few years. It is very difficult to conduct any planning or to have any sense of ongoing programming. The council has also been going through a quite rigorous program of self-examination and discussion with the research community about its future priorities, its future activities and orientation under this program, and under other conditions that it faces. We have had two task forces on priorities working in the past year, one of which was referred to in the document and another which is ongoing and which is looking at a number of

things. including our relations with the private sector and the kinds of new programs or allocation mechanisms that we might examine, of the type I already mentioned.

Senator Marsden: Thank you. Mr. Chairman. I will come back to that later. if I may.

The Chairman: I have a supplemental, Mr. Heintzman.

You stated that in your negotiations with government officials. you requested an additional $200 million in credits.

How did you arrive at this figure of $200 million? Is this $200 million per year or $200 million for your five-year plan? What results would this give? Would your percentage change significantly?

I'm asking these questions because your treasurer is here and perhaps he could provide us with additional figures.

Dr. Heintzman: The $200 million would be spread over a five-year plan. It would not be in one year. The rationale for that kind of figure—this being hypothetical, because it would be a question for the council to decide, in fact. what it wanted to do with that kind of money—is that we calculate that the council would require about $47 million over a five-year period to bring its basic research programs up to a level at which it would be capable of having a dollar success rate comparable to NSERC, for example. We calculate that in the area of highly-qualified manpower—that is, our fellowships, the training of doctoral students, and the like—we would require about $56.5 million over five years to bring our fellowship programs up to a success rate comparable to those of the other granting councils. At the present time they are almost half—20 per cent as opposed to 43 per cent. We estimate that about $16 million is required to go into research-based development and small universities. This comes back to the question we were talking about earlier concerning the disproportion of resources available to some of the larger and smaller universities where there is considerable excellence in research, or excellence which would be there if it could be nourished. We have a small-universities program which is intended too assist that kind of development. We have not been able to make an addition to that for eight years now. and it is eroding just like our council's budget. We estimate that about $16 million is needed for that activity. We estimate that about $13 million is required for the support of the research libraries and related activities. You must understand that. in the humanities and social sciences. libraries are really the laboratories: they are the equipment. They are the equipment that a researcher needs to work in our disciplines. This is something that is very difficult to make clear to people, because it is easy to see the need for test tubes and magnetoscopes, or whatever. that one may require today. Research libraries are the actual infrastructure that researchers in our disciplines need.