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cussed with the government for some time before it occurred? Do you think it is rooted in international experience of countries who are trying to accomplish the same objective as we are? Where do you think it comes from?

Dr. Heintzman: Perhaps that is a question that should be addressed to Mr. Cobb or to the policymakers at MOSST. I was not at the council at the time this policy was developed. However, I am informed through discussions with my colleagues that there was not extensive discussion with the granting councils before the policy was put in place.

On the question of international experience, I am not aware of any other experience of an exactly similar kind. Perhaps one of my colleagues might want to comment on that.

Senator Marsden: Therefore you do not see this as part of a larger, overall plan of adjustment policies for Canada in the new world economy?

Dr. Heintzman: My sense is that the policy, as conceived, was intended to respond to what is a genuine problem in this country. That is to say, if we make international comparisons we discover that the level of government contribution to R&D in this country is not so very different from that experienced in many other countries. Where this country really falls down, in overall comparisons, is in the area of private-sector investment in research.

I suppose the question that could be asked is whether the appropriate place for the private-sector research is in the kind of basic research which the granting councils fund and perform, or whether the area in which the private sector in this country needs to be stimulated to become more active is in the kind of applied and market-oriented research that they more typically fund

Senator Marsden: Thank you. I wonder if you could comment on what is widely known as the Lortie Report. I am not even sure whether or not it is public, but everyone seems to be in possession of a copy. In fact, perhaps Mr. Lortie will be a witness in front of this committee. I think it would be very helpful. In his report, Mr. Lortie was not flattering about the matching-grants program. Could you comment on that from the point of view of the Social Sciences and Humanities Research Council?

Dr. Heintzman: Senator, of course none of us has yet seen a copy of the Lortie Report, but we all read the newspapers. My understanding of what the Lortie Committee is saying is not dissimilar, perhaps, to what I have said to you this morning. That is, that we have serious questions about whether the matching-grants policy is really suitable to fund a broad base of fundamental, basic curiosity-driven research in this country, or whether it would be more appropriately used for quite targeted purposes in the way that I discussed in my remarks.

Our council, for example, is exploring the possibility of greater collaboration between the Social Sciences and Humanities Research Council and other public and private-sector agencies and organizations, in a manner perhaps anala-

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gous to what the FCAR in Quebec does through its actions concertées programs, and that sort of thing.

I believe, in that context, that programs which through matching and appropriate tax measures, encourage the private sector to invest in fundamental research of the type that is of direct and immediate interest and benefit to them could be extremely useful. I think the questions that need to be asked—and, at this point, they are, in our minds, questions rather than conclusions—is whether it is an appropriate mechanism to fund a broad base of fundamental curiosity-driven research in this country.

Senator Marsden: The leading advisory group to the Prime Minister and the cabinet on science and technology, namely NABST, received this set of comments by Mr. Lortie. I want to put this on the record so that we will remember both the context of your comments and his.

I would like now to move to more specific questions. Dr. May from NSERC was our witness last week and he told us that he has added 16 staff members to his grants from council in respect of the matching-grants program. How many have you added at the Social Sciences and Humanities Research Council?

Dr. Heintzman: We have had an increase of two person-years in the last year.

Senator Marsden: Is this adequate?

Dr. Heintzman: Let me put it this way, senator: We have been able to cope in the current year. However, whether the resources that we have at this point in time would be sufficient for the future is, at this point, difficult to say.

Senator Marsden: Thank you. I wonder if you are aware that one of the recommendations that was made by this committee during its study of the financing of post-secondary education was the need for overhead to be met in order that universities might continue operating with grants from councils, and so on. I understand what the policy on overhead is, but I would like to ask you about your comments on what I think you have called the incentive grant. Can any of that be used for overhead?

Dr. Heintzman: No. I think it is rather like our other grants to universities: They must be used for the direct costs of research.

Senator Marsden: As you explain in your brief, you believe that these will diminish. Therefore universities will have less of the incentive fund and will not have any of the overhead. In your experience, have the universities been able to hire the staff that are needed to make the matching-grants program work from the university end of this arrangement?

Dr. Heintzman: I do not think we have had any extensive discussion with universities with respect to their experience in administering this program. I do not think I am in a position to comment on that, senator.