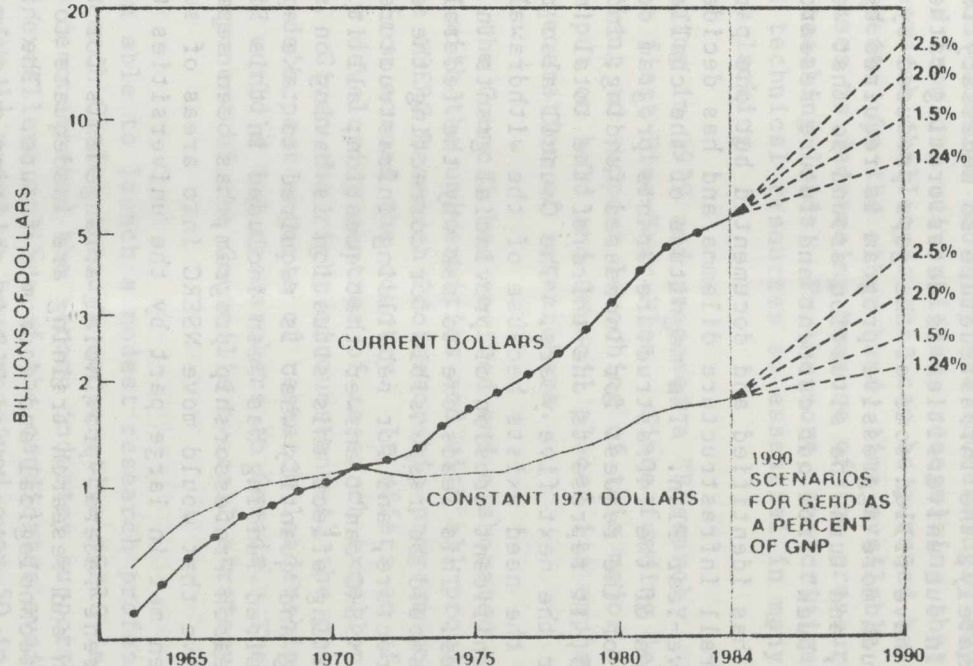


FIGURE 1

ACTUAL AND PROJECTED GROSS EXPENDITURES ON R & D (GERD) IN CANADA



Recently, the federal government has announced a new initiative to increase the level of federal funding for research and development (R&D) in Canada. This initiative is part of a broader strategy to enhance the country's technological capabilities and competitiveness in the global market. The government has committed to increasing its R&D spending to 2.5% of Gross National Product (GNP) by 1990, a significant increase from the current level of approximately 1.24%.

The initiative is designed to support a wide range of research activities, from basic research to applied research and development. It will provide funding for a variety of projects, including those in the areas of space technology, telecommunications, and advanced manufacturing. The government also plans to increase its support for university research and development, as well as for small and medium-sized enterprises (SMEs) engaged in R&D activities.

In addition to the federal government, the provincial governments and the private sector are also expected to play a significant role in financing R&D in Canada. The federal government's initiative is intended to encourage these other sources of funding and to create a more supportive environment for R&D in the country.

The overall goal of the initiative is to increase the level of R&D in Canada and to ensure that the country remains a leader in technological innovation. This will be essential for the country's long-term economic growth and development.