

During the 1962-63 academic year, the Medical Research Council participated in several special activities: it contributed to the cost of the Annual Scientific Meeting of the Western Regional Group, sponsored jointly by the Medical Research Council and the National Cancer Institute of Canada; it provided funds to permit a visiting scientist of international reputation to spend three months at Dalhousie University; and it contributed to the cost of collecting human pituitary glands for the production of human growth hormone to be used in research.

Expenditures by the Council for the years 1961-62 and 1962-63 were as follows:—

| <i>Program</i> | 1961-62 | 1962-63 |
|--|------------------|------------------|
| | \$ | \$ |
| Fellowships..... | 242,039 | 353,408 |
| Associateships..... | 238,193 | 305,307 |
| Summer scholarships..... | 24,000 | 24,000 |
| Grants-in-aid of research..... | 2,673,456 | 3,423,556 |
| General research grants..... | 96,000 | 144,000 |
| Travel grants..... | 10,276 | 17,790 |
| Special activities..... | 16,031 | 23,700 |
| TOTALS, EXPENDITURES ON PROGRAMS..... | 3,300,000 | 4,296,761 |
| Administrative costs..... | 61,006 | 62,255 |
| TOTALS, EXPENDITURES..... | 3,361,006 | 4,359,016 |

Subsection 4.—Industrial Research

Industrial research in Canada is changing very rapidly. The emergence of the country as a highly industrialized society, its entrance into multitudinous fields of production, the rapid growth of many large nation-wide industries, the serving of a discriminating domestic market and the meeting of competition from abroad have had the effect of making Canadian manufacturing establishments research conscious and many of the larger ones now possess competent research organizations.

On Nov. 29, 1962, an amendment was passed by Parliament to the Income Tax Act, allowing corporate taxpayers, commencing in 1962, to deduct 150 p.c. of their increased expenditures on scientific research for industrial purposes when computing taxable income. This amendment is evidence of the Federal Government's desire to encourage industrial research. It is early to assess the effects of these tax incentives. Although expenditures for research purposes continue to rise, such increases depend on many factors and there is not necessarily a short-run relationship between tax encouragement and higher research spending. However, the first results of the amendment seem to be along the line of encouragement to existing research and development departments to continue and extend their efforts rather than to establish new programs aimed at developing new products or processes.

Industrial Research and Development Expenditures.—The latest DBS survey of expenditures on industrial research in Canada was conducted in 1963 and provided figures for the calendar year 1961 and estimates for the year 1962. These figures are summarized in the following tables; details are contained in DBS publication *Industrial Research and Development Expenditures in Canada, 1961* (Catalogue No. 13-520). Results of the next survey, covering 1963 expenditures with estimates for 1964, are expected to be available during the winter of 1964-65.

The type of industrial research and development covered by these surveys ranges from pure research designed to obtain new knowledge in the physical and life sciences to conceiving and developing new products and processes, or major changes in products and processes, and bringing them to the stage of production. Such activities as market research and process and quality control are excluded. Companies surveyed were asked to report the cost of research and development done within the company in Canada and payments