

For all Canadian industry, the performing company is by far the most important source of funds. However, Table 4 gives sources of funds for total current and capital research and development expenditures. Since capital expenditures are not usually financed by governments or other companies supporting a firm's research and development program, the performing company would be a less dominant source of funds for current intramural expenditures—perhaps accounting for about 65 p.c. rather than 71 p.c. Other significant sources are the Federal Government, foreign governments and foreign related companies. Industries and firms do not rely on the same sources to the same extent. For example, about 67 p.c. of the research and development funds for the aircraft industry seems to come from outside the performing company. The direct support of the Federal Government goes mainly to two industries—aircraft (52 p.c.) and electrical products (31 p.c.). Funds from foreign sources account for about one fifth of all intramural expenditures for the drug, petroleum and aircraft industries.

#### 4.—Sources of Funds for Intramural Research and Development, by Industry, 1965<sup>1</sup>

| Industry                                     | Canadian Sources  |   |                      |                    | Foreign Sources <sup>2</sup> | Total   |
|--|-------------------|---|----------------------|--------------------|------------------------------|---------|
|  | Reporting Company | Parent, Affiliated and Subsidiary Companies | Government of Canada | Other <sup>3</sup> |                              |         |
|  | \$'000            | \$'000                                      | \$'000               | \$'000             | \$'000                       | \$'000  |
| Mines.....                                   | 9,428             | 22  | 511                  | 105                | 315                          | 10,381  |
| Gas and oil wells.....                       | 1,926             | 427   | —                    | —                  | 601                          | 2,954   |
| Manufacturing—                               |                   |   |                      |                    |                              |         |
| Food and beverages.....                      | 6,903             | 16  | 299                  | 1                  | —                            | 7,219   |
| Rubber.....                                  | 1,922             | —   | 202                  | —                  | 852                          | 2,976   |
| Textiles.....                                | 4,269             | 54  | 50                   | 18                 | 30                           | 4,421   |
| Wood.....                                    | 224               | —   | —                    | 116                | —                            | 340     |
| Furniture and fixtures.....                  | 114               | —   | —                    | —                  | —                            | 114     |
| Paper.....                                   | 21,307            | 974   | 320                  | 2,198              | 428                          | 25,227  |
| Primary metals (ferrous).....                | 7,634             | —   | 47                   | —                  | 12                           | 7,693   |
| Primary metals (non-ferrous)....             | 10,201            | 815   | 288                  | 203                | 21                           | 11,528  |
| Metal fabricating.....                       | 3,418             | —   | 193                  | 4                  | —                            | 3,615   |
| Machinery.....                               | 7,474             | —   | 101                  | 128                | 729                          | 8,432   |
| Aircraft and parts.....                      | 17,798            | 219   | 25,982               | 3                  | 10,608                       | 54,610  |
| Other transportation equipment..             | 1,955             | —   | 46                   | —                  | —                            | 2,001   |
| Electrical products.....                     | 43,219            | 37  | 15,468               | 853                | 3,456                        | 63,033  |
| Non-metallic mineral products..              | 1,013             | 20  | 220                  | 5                  | 647                          | 1,905   |
| Petroleum products.....                      | 17,767            | —   | 65                   | 87                 | 4,807                        | 22,726  |
| Drugs and medicines.....                     | 7,542             | —   | 403                  | —                  | 2,289                        | 10,234  |
| Other chemical products.....                 | 27,282            | 188   | 601                  | —                  | 397                          | 28,468  |
| Scientific and professional instruments..... | 4,020             | —   | 2,953                | 263                | 477                          | 7,713   |
| Other manufacturing.....                     | 2,106             | 78  | 1,769                | —                  | 50                           | 4,003   |
| Totals, Manufacturing.....                   | 188,168           | 2,401                                       | 49,007               | 3,879              | 24,803                       | 266,258 |
| Transportation and other utilities..         | 3,488             | —   | —                    | —                  | —                            | 3,488   |
| Other non-manufacturing.....                 | 603               | 172   | 421                  | 381                | 222                          | 1,799   |
| Totals, All Industries.....                  | 201,613           | 3,022                                       | 49,939               | 4,365              | 25,941                       | 284,880 |
| Percentage of total funds.....               | 70.8              | 1.1   | 17.5                 | 1.5                | 9.1                          | 100.0   |

<sup>1</sup> Includes capital expenditures. <sup>2</sup> Includes the membership fees of research institutes and payments for research and development performed under contract for non-related companies. <sup>3</sup> Includes foreign governments.