

and their criteria for support are based mainly on the merits of the individual researcher and the excellence of the project. The direct application or usefulness of the knowledge sought is generally not given high priority in assessing a project. These funding policies have favoured the development of basic research of a high calibre in Canadian universities. The MRC assigns approximately 50% of its funding for research in certain areas which their studies indicate need more effort. The NRC exerts similar influence through "negotiated development grants" which amount to about 10% of the total funding and by indicating to prospective grantees the areas in which more proposals would be desirable.

The almost explosive growth that occurred in university research during most of the 1960s appears to be moderating. Some trends in Canadian university research have become evident and these may be accentuated in the immediate future. Foremost among these is the breaking down of the barriers between disciplines on campuses. With increasing frequency, projects are being undertaken and research institutes established that depend on the co-operation of two or more departments, faculties or even universities. Noteworthy also is the recent trend toward a greater degree of specialization on the part of universities. Special grants (Negotiated Development Grants), made available by the NRC and the MRC, encourage universities to follow this policy of specialization. Recent recommendations of the Science Council advocated more support for university research from the mission-oriented departments with the NRC and the MRC (together with the Canada Council) assuming more of a balancing role to ensure that no legitimate discipline is neglected. These Councils have established a co-ordinating committee to make certain that no gaps exist in their joint coverage. The problems of rationalization of university research, establishment of criteria for selection of projects and for distribution of support among disciplines or problem-oriented work are under active public discussion and are the subject of a number of special studies. This analysis may lead to a considerable redirection in the field of university research in Canada during the 1970s.

9.5 Industrial research

After a period of growth, expenditures on industrial research and development by Canadian firms, particularly those associated with fabrication and end-product manufacture, have now levelled off around \$400 million annually. The creation and expansion of industrial research and development units is designed to meet competition from other Canadian as well as foreign firms and to exploit efficiently the country's natural resources. During the early 1960s, capital and operating expenditures for industrial research and development (R&D) increased rapidly, encouraged by the growth in markets, government incentives, improved production facilities, financial resources and supplies of technically skilled manpower.

