

I offer the following contribution to the review committee.

It is very frequently a condition of granting agencies to require approximately matching funds from industrial or private institutions. This approach has two potential serious limitations.

First, it seems to abdicate responsibility for the granting decision to the industrial funder. For example, a granting agency committee might reason that if XYZ Chemicals is investing in the project, it must be a good commercially thought out venture, so we will follow and also offer funds. I would like to suggest that this potential abdication is often inappropriate, and that the funding agency should have individuals with the experience and capability to successfully direct their funds.

Secondly, and somewhat related to the first limitation above, Canadian industry is often very mature and technology driven commercial advantage has ceased at the top of the innovation S-curve or even may be on the negative slope of the G-curve. As an extreme example, who these days is investing in silver halide photography? Even worse, most of Canada's, and maybe the world's, industries are at or near the end of a long wave Kondratieff cycle. A characteristic of this condition is industry becoming very efficient operators of existing processes and products, and not making technological investments in new products and processes. This is now potentially the mindset of one or two generations of industrial managers, and is evidenced by the disappearance of industrial research activities. So.....relying on industrial matching, is falsely comforting to the granting agencies, and the industries offer expert "operators" and not expert commercial "innovators".

The overall message is that the granting agencies need to take full responsibility, but with some level of industrial input, for the investment of their funds and the monitoring of outcomes.