

ANNUAL REPORT 2001-2002

# Social Sciences and Humanities Research Council of Canada



Social Sciences and Humanities  
Research Council of Canada

Conseil de recherches en  
sciences humaines du Canada

Canada

# Under- standing

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**Canada**



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SECURITY

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PEACE

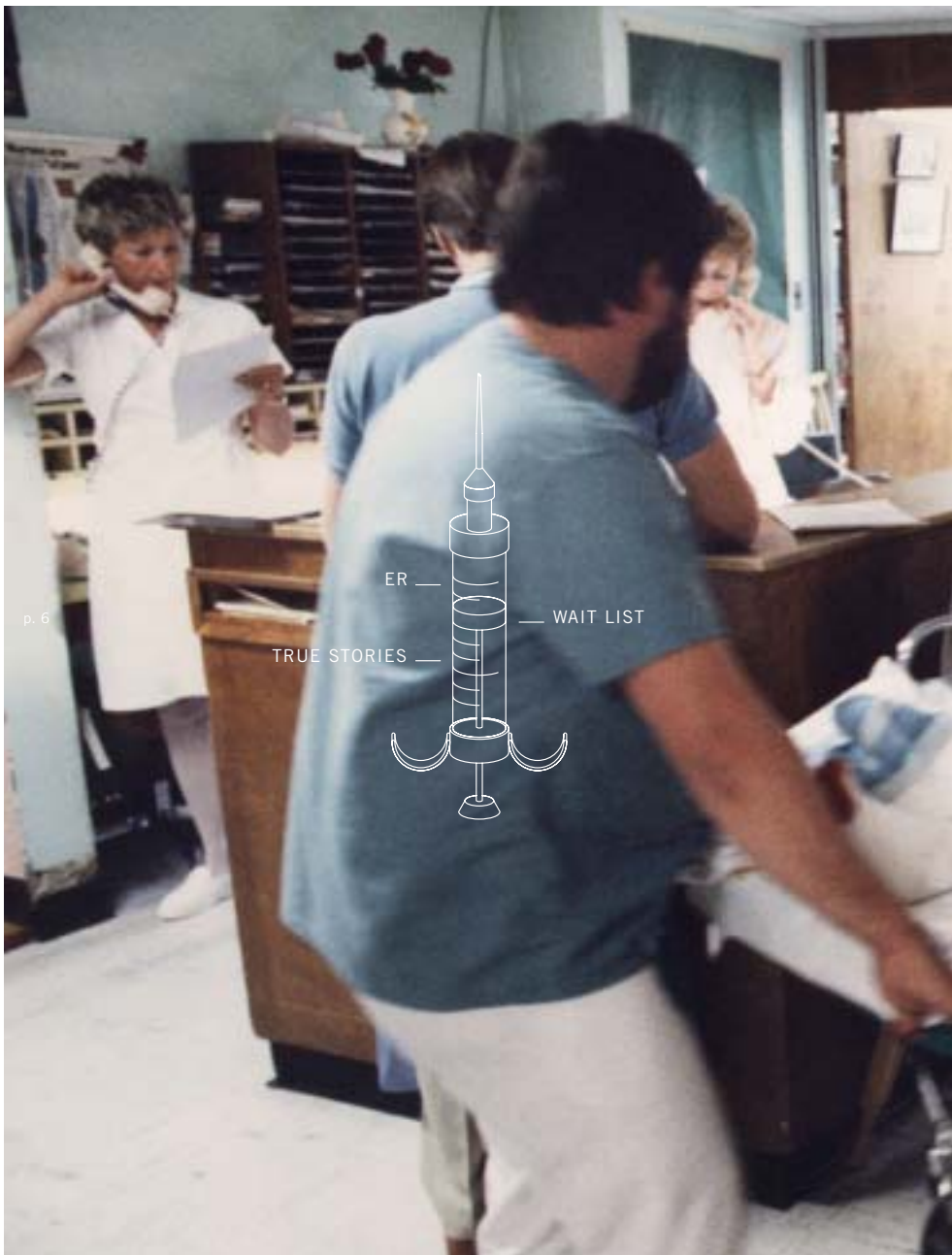
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“From the computers on our desks to the light weapons used by terrorists, technological change is racing ahead, leaving our social institutions and policies far behind. We are in dire need of advanced social scientific knowledge to manage our affairs in an increasingly complex and unpredictable world, and SSHRC plays a vital role in fulfilling this need in Canada.”

THOMAS HOMER-DIXON, director of the University of Toronto's Centre for the Study of Peace and Conflict, received SSHRC fellowships to support his early research. His latest book, *The Ingenuity Gap*, won the 2001 Governor General's Award for Non-Fiction.

The Social Sciences and Humanities Research Council of Canada funds research that helps Canadians understand the world around them: what we value, what we question, our past, present, and future. SSHRC's annual grants and fellowships assist nearly 5,000 researchers and graduate students at 87 universities and colleges across Canada.

We build  
under-  
standing



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- ↳ Annual national cost of health care: \$95 billion, \$3,000 per Canadian (in 2000)
- ↳ Number of hospitals closed, merged, or converted into other facilities in past five years: 275
- ↳ Number of Canadians confident in health care system: 20% in 1998, down from 56% in 1988
- ↳ Number of Canadians employed in health care and social services in 2000: 1.5 million
- ↳ Decline in number of hospital beds from 1985 to 1997: 25%
- ↳ Number of unregulated health care providers (family members, friends and community volunteers) providing support to seniors: 2.1 million (in 1996)

In 2001-2002, SSHRC invested \$19.4 million in 530 research projects to study health care related issues such as health promotion and disease prevention, health law, public health administration, evaluation of health services, health ethics, health policy and evaluation, psychology, social work, and health systems and society.

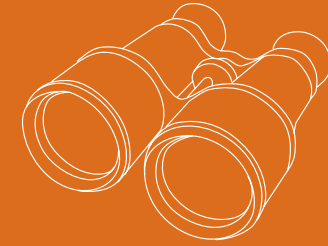
SOURCES: Canadian Institute for Health Information, Commonwealth Fund's International Health Policy Survey, and Statistics Canada



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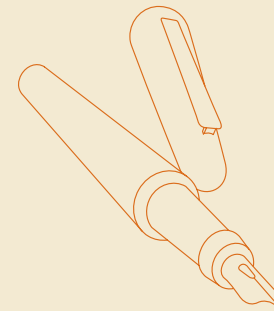
Social science and humanities research fuels innovative thinking about real life: work, schools, health care, business, ethics, peace, terrorism, sexuality, immigration, religion, prejudice, literature, human rights, language, democracy, poverty, mass communication, addiction, law, politics, the environment, pop culture, Aboriginal rights, the past, our future.

**Life is a  
social  
science  
and  
an art**



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Today, the need for research and innovative thinking on social and cultural issues has never been greater.



Marc Renaud, *President*  
Social Sciences and Humanities  
Research Council of Canada

## President's Message

Anyone familiar with the Social Sciences and Humanities Research Council will notice that this year's annual report is a major departure from the past. Our new look is no accident of design. It is part of a conscious effort to address what is increasingly becoming a liability for social scientists and humanists across the country: our collective inability to explain to Canadians outside the academic community the significant contributions our disciplines make in a complex and challenging world.

p. 14 This apparent inability to "tell a good story" is all the more perplexing given our research community's focus on the very issues that make up daily news headlines. Work, school, health, ethics, crime, culture, history, the environment, innovation, the arts, economics, sexuality, terrorism, addiction, globalization . . . whatever the issue, social science and humanities research is fundamental to our ability to understand the world around us, and to make informed decisions, individually, and as a society. Despite this rich heritage, or perhaps in some ways because of it, the contributions of social scientists and humanists are largely misunderstood or ignored.

Social science and humanities researchers cannot assume that the world is with them. As society embraces and increasingly celebrates technological innovation and the "knowledge economy," while struggling with ever more challenging geopolitical, economic and cultural issues, it is more important than ever that the voices of social scientists and humanists be heard.

As Canada's only national funding agency for social sciences and humanities research, SSHRC has a vital role to play, not just in supporting academic and research excellence, but in disseminating the benefits of research, and in promoting academic excellence as an end in itself. This is one of SSHRC's key priorities for the year ahead: to find better ways of sharing the knowledge and benefits our research community generates, and to remind Canadians of what too many of us take for granted—the importance to democracy of education, academic enquiry and rigorous intellectual debate.

Last year, SSHRC invested about \$120 million in direct support to the research community. As in previous years, the largest portion of our funding envelope went to projects under the Standard Research Grants program. This core program allows researchers from all disciplines to choose their own areas of inquiry. As with all SSHRC

programs, funding decisions are the result of a rigorous peer-review process that ensures the highest academic standards are met.

During the year, I visited a number of universities across the country and was particularly impressed with the quality and relevance of projects funded through our Community-University Research Alliances (CURA) and the Major Collaborative Research Initiatives (MCRI) programs. I met museum curators, teachers, lawyers, mayors, urban planners, health care workers, Aboriginal groups and business people who were working with university researchers on issues ranging from mid-sized city planning, addiction, and dispute resolution to economic development, globalization and autonomy, contingent employment, and cultural identity.

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These CURA and MCRI projects are delivering ingenious ideas and bringing new resilience to communities. They are creating new models of partnership and stimulating interest in social science and humanities research outside the university. In light of these successes, I am pleased to report that Council has decided to reinstate the CURA program in the coming year.

Given the economic uncertainty that prevailed in the fall of 2001, it was encouraging to see the Canadian government continue to enhance its support for research and innovation. For 2002-2003, SSHRC's budget was increased by seven per cent, or \$9.5 million. The government also provided, through the Canada Research Chairs program, which SSHRC administers, a one-time \$200 million allocation to universities to offset the indirect costs of research. The government further underlined the importance of social sciences and humanities by announcing \$125 million to create the Trudeau Foundation.

These initiatives were a real boost to the research community, and they demonstrate the government's commitment to building a true culture of innovation, one that goes beyond technology and labs. After all, innovation is not just about new products and getting market share. It's about people, ideas and new ways of doing. It's also about what Thomas Homer-Dixon calls "ingenuity": how we apply knowledge and new ideas, and how we adjust our institutions, culture and values to new realities. In short, how we get full value for the knowledge we create.

SSHRC's rich program offering allows researchers to explore, invent, and develop expertise in a wide variety of disciplines. Supporting intellectual freedom and diversity is a fundamental part of SSHRC's program design.

This ability to generate and use knowledge becomes even more important as Canada moves further into the most fundamental change of our time: the emergence of the knowledge economy. In this new economy, information is our most important asset; it is the new capital. And if we don't find better ways of sharing and exchanging this capital, it risks becoming what some economists call "dead capital."

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It is important to remember that the new economy isn't just for engineers and natural scientists. Social scientists, humanists, and the "users" of the knowledge they create are just as important to the new economy. I firmly believe that many of the future's most successful leaders and entrepreneurs will come from the social sciences and humanities: they will take the risks, travel the world, and bridge cultures, using technology as a tool, not a master.

The challenge at SSHRC today is to get research results into the hands of people who will use it—the "knowledge workers." This knowledge broker role is one of our key initiatives for the coming year, with staff devoted exclusively to the task. How do we capture the knowledge developed across 8,000 kilometres of land by 18,000 researchers and 40,000 graduate students and make it more visible? Visibility for our researchers and the contributions they make to Canadian life is a particularly important priority as we prepare to celebrate SSHRC's 25th anniversary.

For 24 years now, SSHRC has funded research through a process designed to ensure variety, relevance, and excellence. I'm very proud of SSHRC's rich program offering that allows researchers to explore, invent and develop expertise in a wide variety of disciplines. Supporting intellectual freedom and diversity is a fundamental part of SSHRC's program design.

In 2001-2002, we received over 500 applications for funding in the first round of the Initiative on the New Economy (INE). Projects included a study of the impact of Internet message boards on stock markets, virtual learning groups, and changing labor markets in the new economy. The INE is just one example of how targeted research initiatives are helping make the social sciences and humanities more relevant to Canadians, business, and policy makers.

This year, while preserving basic research programs, SSHRC will also launch several new targeted research programs. In consultation with the research community, Council has identified four new strategic priority areas. These are: the environment; Aboriginal people; humanities and technology; and citizenship, identities and culture, which

Our ability to generate and use social sciences and humanities knowledge becomes even more important as Canada moves further into the biggest change of our time: the emergence of the "knowledge economy."

includes peace and security. Though targeted, these research themes were deliberately defined broadly enough to galvanize the energy of researchers in all our disciplines.

Whatever the program type, the key to success is the people who design and run them: our staff and the hundreds of volunteers from the research community who are the backbone of an independent peer-review process that ensures relevance and academic excellence.

Our peer-review committees have to make hard decisions. Every year we get many excellent research proposals that are recommended for funding, but that we just don't have the money to support. Moreover, as baby boomers retire from Canadian universities, we will need well-trained, energetic young researchers to replace them. But today, SSHRC is only able to support three per cent of Canada's social sciences and humanities graduate students. We are only too aware of SSHRC's very limited support of graduate students, and should our own funding level grow, this will be one of the first areas we work to improve.

It would, of course, be impossible to reflect on the past year without acknowledging the profound impact the tragic events of September 11 had on all of us. The terrorist attacks in New York and Washington were a chilling reminder of just how fragile modern society really is.

There are of course no easy answers or solutions to terrorism, war or political conflict. But this much is certain: the attacks proved beyond doubt the importance and relevance of the very disciplines that many outside our community would have dismissed as "irrelevant" or "archaic" before September 11. When the world struggled for answers last fall, we turned to people who have made it their life's mission to understand history, religion, culture, psychology, and international relations. And though these social scientists and humanists cannot undo the tragedy, they can provide the most important ingredient to finding solutions: the ability to understand, to analyze, to learn, and, ultimately, to help us make informed decisions. Clearly, the relevance and value of social sciences and humanities research has never been more evident.

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Marc Renaud, *President*

“The fundamental job of the imagination in ordinary life is to produce, out of the society we have to live in, a vision of the society we want to live in.”

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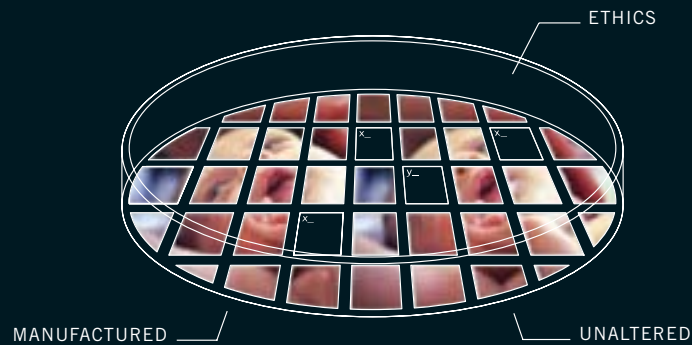
# Being human

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“In making human clones or genetically tailoring our children to conform to our idealized notions, we are cheating them out of what is each individual’s most precious heritage: the right not to be manufactured; the right to one’s own unique, unaltered ticket in the great genetic lottery of life.”

MARGARET SOMERVILLE is the author of *The Ethical Canary: Science, Society and the Human Spirit*. She has received SSHRC grants for her research on environmental and health care ethics.



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COMPLEX

GLOBAL

VILLAGE

“Who would have thought 10 years ago that a small Canadian business or a Mexican peasant would require knowledge of NAFTA trading rules or WTO subsidy definitions to earn a living. We are living in an increasingly complex global village, and our research findings will help Canadians negotiate the challenges ahead.”

MCRI recipient WILLIAM COLEMAN

“Globalization is just a shorthand way of saying that everything affects everything, that what we do affects others and what they do affects us—on a global scale.”

MAURICE STRONG, *Where on Earth are we Going?* Alfred A. Knopf Canada, 2000

In 2001-2002, SSHRC invested \$14.8 million in 550 projects on globalization and related issues, including immigration; international relations, development and trade; politics and government; and multiculturalism and ethnic studies.

- ↳ Percentage of jobs created in this decade that will require at least 16 years of education: 45
- ↳ Unemployment rate for Canadians with the lowest level of literacy: 26%; with the highest literacy: 4%
- ↳ Percentage of children from lowest income families who do not complete high school: 34
- ↳ Typical job tenure for adults with learning disabilities who have not received appropriate education and/or training: three months
- ↳ Percentage of adolescent suicides who had previously been diagnosed as having learning disabilities: 50
- ↳ Number of Canadians with a learning disability: one in 10

In 2001-2002, SSHRC invested \$18 million in 477 projects that studied issues related to children, youth and education, including literacy; early childhood education; educational psychology; philosophy of education; computers and learning; curriculum; and educational administration, planning and governance.





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- ↳ Number of people for every police officer in Canada: 544
- ↳ Number of murders in 2000: 484
- ↳ Number of property crimes: 1.2 million
- ↳ Cost of commercial crime between 1995 and 1997: \$9 billion
- ↳ Number of youths charged for property crimes in 2000: 46,248
- ↳ Percentage of offenders who have experienced learning problems: up to 70
- ↳ Canadians are 50% more likely than Europeans and 500% more likely than Japanese to be victims of burglary, assault, sexual offences and robbery
- ↳ Decrease in young offender convictions in last five years: 18%
- ↳ Percentage of female offenders involved in cases ending in conviction in 1999: 16
- ↳ Estimated number of persons per year wrongfully convicted of felonies in the United States: 6,000

This year, SSHRC invested \$12.9 million in 370 research projects in the areas of law, justice, criminology, social work, poverty, and literacy.

SOURCE: Statistics Canada



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## Global Effect

William Coleman

GRANT MCRI

AMOUNT \$2.5 million

"Who would have thought ten years ago that a small Canadian business or a Mexican peasant would require knowledge of NAFTA trading rules or WTO subsidy definitions to earn a living?" asks William Coleman, reflecting on the global economy.

Virtually everyone on the planet today is affected one way or another by the "complex connectivity" that is globalization.

"People are talking about it all over the world," observes the McMaster University political science professor. "And politicians are drawing up new laws and trade agreements; but that doesn't mean there isn't confusion. While some people at a protest chant for less free trade in order to curb globalization, others are there to support global initiatives such as the Kyoto Accord."

Over the next five years, Coleman and his international team of SSHRC-funded researchers will study the long-term impacts of globalization on national autonomy and culture and on third world development.

Pointing out that globalization has in a few short years become identified with mass protest, Coleman argues that we have a lot to learn about the impact of the global processes that are shaping our lives. He maintains that few of the world's decision-makers know whether or not the policies of the World Trade Organization, the G-8, and the G-20 will end up destabilizing national governments. Nor do they understand how globalization works on the personal level, whether it marginalizes people in developing countries, for instance, or undermines cultural identity and autonomy.

"For us, the core issue is the relationship between globalization and autonomy," says Coleman. "We're talking about the ability of communities to decide for themselves how they're going to live."

Coleman's project involves 13 Canadian universities and 16 international organizations. In addition to heading this Major Collaborative Research Initiative (MCRI), Coleman is also Canada Research Chair in Global Governance and Public Policy at McMaster University.

William Coleman's \$2.5 million, five-year MCRI grant was approved early in 2002. It was his fifth SSHRC grant.

Virtually everyone on the planet today is affected by the complex connectivity that is globalization.

## Forensic Archaeologist

Mark Skinner

2002 Bora Laskin Fellow

AMOUNT \$55,000

A passion for justice has led archaeology professor Mark Skinner far from his base at Simon Fraser University. For five years now, he has worked with international authorities to investigate mass graves and human rights abuses in Afghanistan, Bosnia-Herzegovina, East Timor, and Yugoslavia.

"Over the past decade, we've seen too many discoveries of mass graves in troubled parts of the world," says Skinner. "Exhumation in order to identify victims and to obtain evidence for prosecution is a huge challenge. Forensic scientists must collect evidence in an unbiased manner to ensure that the punitive response by a democracy is both appropriate and justifiable."

SSHRC has recognized Skinner's dedication to excellence in research and his contribution to human rights by awarding him the 2002 Bora Laskin Fellowship. Established in 1985 by the Council to honour the late chief justice of the Supreme Court of Canada, the twelve-month, \$55,000 award supports multidisciplinary research that develops Canadian expertise in the field of human rights.

Skinner is using the sabbatical to monitor exhumations and autopsies from mass grave sites in Serbia for the International Commission on Missing Persons. The victims are thought to be Kosovars and Albanians who disappeared in 1999. Skinner will also be evaluating current international agency guidelines for the exhumation of mass graves.

Back in Canada, Skinner will work on creating a training centre for forensic archaeology, a task for which he is eminently qualified. Not only did he offer the first university course in Canada in forensic anthropology, but, during his 26 years of university teaching, he has helped law enforcement agencies investigate 53 homicides and 281 other crimes.

Recognized as a leading authority in mass grave investigations, Skinner was awarded SSHRC's Bora Laskin Fellowship for 2002.

Over the past decade, we've seen too many discoveries of mass graves in troubled parts of the world.





Fundamental, curiosity-driven research is the heart and soul of the social sciences and humanities research endeavour because it generates new ideas, stimulates debate and compels us to examine our assumptions about ourselves and the world we create.



SSHRC Council members: Yves Gingras, Ellen Corin and William Coleman, and Mary Blackstone.

## The Year in Review

2001-2002 was another year of intense activity at SSHRC. We continued to build on our fundamental principles of independent peer-review, academic excellence, openness, and consultation, while maintaining success rates in our core program, Standard Research Grants. We also launched a series of exciting new programs focused on the “new economy”, and we started to redesign and revitalize our Strategic Research programs to ensure that Canada’s most important post-secondary R&D investment in social sciences and humanities continues to effectively address Canada’s needs.

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With a total budget of \$170 million in 2001-02, SSHRC is Canada’s most important funding agency for social science and humanities research. The Council’s budget includes \$24 million for the Canada Research Chairs program, \$12 million for the Networks of Centres of Excellence, and \$6 million for the first round of funding for the Initiative on the New Economy.

### Program News

The big news this year was the launch of SSHRC’s Initiative on the New Economy (INE), a five-year \$100-million targeted research program aimed at helping Canadians understand and take advantage of the forces transforming Canada’s (and the world’s) economy. We had almost 400 applications to the program’s first round of competitions and we funded 109 projects for a total first-year investment of \$10 million over three years.

The INE demonstrates that innovation is not limited to technology and labs, but that it also includes new ideas about how we do business, how we educate our children, and how we design our institutions and policies.

With the INE model in mind, SSHRC reviewed its Strategic Research programs, which focus research talent on specific areas of importance to Canadians. With most of the strategic research themes reaching the end of their life cycles, SSHRC consulted with the research community and with other partners. Together, we identified four new priority areas for targeted research: citizenship, identities, and culture (including peace and security); humanities and technology; environment and sustainability; and Aboriginal people. These broad topics will guide the design of the new strategic programs SSHRC will launch over the next year.

SSHRC also renewed the Federalism and Federations Joint Initiative, a partnership with Privy Council Office.

SSHRC now participates in 13 joint initiatives that deal with topics ranging from law reform and tobacco control to literacy and forestry management. Government departments and private and public sector organizations continue to work with SSHRC, and many want to collaborate on new joint initiatives. SSHRC, however, doesn’t have the funds to participate in all the proposals we get for partnerships.

This was a critical year for SSHRC’s internationally acclaimed Community-University Research Alliances (CURA) program. CURAs bring university researchers and community organizations together to identify, design, and carry out research projects that directly address local community needs. At the beginning of the year, Council was forced to suspend this successful pilot due to lack of funds. By the end of the year, and after some hard number-crunching, Council decided to reinstate CURA for 2002-03.

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During the three years that the CURA program was in operation, SSHRC received more than 400 applications and funded 37 projects. These projects addressed issues as diverse as affordable Aboriginal housing in Saskatoon; rejuvenating Winnipeg’s downtown core; helping rural communities move beyond traditional resource-based economies; devising more effective social, legal, and community-based responses to violence against women; and evaluating initiatives in Newfoundland to promote citizen participation in political decision-making.

### The Basics

SSHRC’s biggest core program, Standard Research Grants (SRG), allows researchers to delve deeply in their disciplines—to explore, discover, invent, and expand our knowledge and understanding. This year we invested more than \$18 million in support of 1,237 researchers working on 738 new Standard Research Grants projects in universities across the country. Despite the pressures on its budget, Council focused its limited resources this year on maintaining a 41 per cent success rate in the program, because fundamental, curiosity-driven research is the heart and soul of the social sciences and humanities research endeavour.

SSHRC’s other key program to support curiosity-driven research is the Major Collaborative Research Initiatives program (MCRI). This year the program added to its past successes, supporting five new international projects involving large multidisciplinary teams.



SSHRC Council members: Shirley Neuman, Serge Courville, and Lynn McDonald.

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These exciting new projects will explore the impact of globalization on the economic and cultural autonomy of nation-states; teaching conditions in Canada's public schools; the reliability, security, and preservation of digital records; internet tools to help diagnose and treat loss of language facility; and the politics of royal pageantry in Renaissance France. These grants represent an investment of \$11.5 million over five years, bringing the number of on-going MCRIs to thirty.

This year Council improved its direct support to students and young researchers by increasing the value of doctoral fellowships from \$16,620 to \$17,700 and post-doctoral fellowships from \$28,428 to \$35,028. SSHRC supported 125 new post-doctoral fellows and 575 new doctoral fellows this year. With current funding levels, however, SSHRC is still only able to support 3.5 per cent of Canada's graduate students in the social sciences and humanities.

#### Good News for R&D

The research community was given a substantial boost by the federal government's announcement in December of a one-time investment of \$200 million to defray the indirect costs of research. SSHRC administered this fund through the Canada Research Chairs secretariat.

The Chairs program is critical to Canada's ability to attract and retain the best researchers worldwide and is an enormous boon to the university research community. By the end of the year, the Chairs program was well on the way to achieving its primary goal of creating 2,000 world-class research positions from all disciplines in Canadian universities by 2005. More than 500 research chairs have now been taken up across Canada—115 of them in social sciences and humanities disciplines.

#### Moving Ahead

SSHRC's big challenges for 2002-03 will be to better promote the value of our research, to get that research into the hands of the people who can use it, to ensure the effectiveness and relevance of our programs and the research they deliver to Canadians, and to find innovative ways to deal with the growing pressures on our budget.

Since September 11, there appears to be a greater awareness of the contributions and relevance of the social sciences and humanities, and a desire for deeper social and cultural understanding. It is SSHRC's task to make sure that Canada has the expertise and the resources it needs to build that understanding.

As we prepare for SSHRC's 25th anniversary year, we will sharpen our focus on a key part of our mandate: promoting research. This year we developed a new look for our annual report. We redesigned our Web site for launch in the summer of 2002; and our new Public Affairs Division is working to better inform politicians and the media of the enormous importance of SSHRC-funded research.

In December 2001, the federal government signaled its continuing commitment to social science and humanities research with a \$9.5 million budget increase for SSHRC. This was good news: the increase will allow us to maintain our funding success rates for another year and to restart the CURA program.

But we must find ways to support more than three per cent of the young scholars who will ultimately provide Canada with the ingenuity and innovation our country needs in key areas such as law, economics, religion, history, bioethics, psychology, education, international relations, and the environment.

And we have to find ways to deal with the exploding demand for research support—the consequence of massive faculty renewal (resulting from the retirement of baby boomers) and of the emergence of a new cadre of energetic young researchers who are applying to the Council in unprecedented numbers.

Fifty-four per cent of researchers and 52 per cent of all doctoral students at Canadian universities work in the social sciences and humanities. Their energy and enthusiasm is driving change in the culture of research in Canada. Despite the prevalence of social science and humanities disciplines, SSHRC's share of the federal granting councils' budget is only about 13 per cent. Growing demand for research support from this community makes it increasingly difficult for SSHRC to maintain its success rates. Every year, our peer-review committees recommend many more projects for funding than SSHRC can afford to support.

Since September 11, there appears to be a greater awareness of the contributions and relevance of the social sciences and humanities, and a desire for deeper social and cultural understanding. It is SSHRC's task to make sure that Canada has the expertise and the resources it needs to build that understanding.

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## Canada's Lost Music

Elaine Keillor

GRANT Standard Research Grant

AMOUNT \$422,500

When Elaine Keillor started the huge task of unearthing Canada's rich musical past, most of the artifacts—the manuscripts, recordings, photographs—were mouldering in basements, attics, garages, and archives across the country.

Keillor, a music professor at Carleton University and co-founder of the Canadian Musical Heritage Society (CMHS), first got interested in saving this little known part of Canada's heritage in the late 1970s while doing research for an encyclopaedia of Canadian music.

"There were so many cases where we found references to works of music and titles, but no one had any idea where these pieces were or even if there were still any existing copies," says Keillor. "Many of these works hadn't been played for more than 100 years, and we began to feel that the country was being robbed of an important part of its heritage."

So with funding from SSHRC, Keillor and the CMHS started looking for Canada's lost music. Two decades later, the CMHS has completed a comprehensive anthology of pre-1950 Canadian music. Along the way, the society tracked down some 22,000 compositions. The anthology includes: seven volumes of choral music; four volumes of songs; three volumes each of piano music, music for orchestra, and chamber music; two volumes each of music for organ and music for band; and one volume of operas and operettas.

To bring this unique piece of Canadian history to a wider audience, Keillor and the CMHS recorded CDs of many of the compositions in this great collection. They've also set up a distribution service to supply copies of compositions to institutions, musicians, educators, and the general public.

"Music is probably the one artistic practice that had the greatest impact on the pioneers of this country," reflects Keillor. "We see so much of the personality, concerns, and values of the early settlers reflected in their music. It really is an incredible way to get to know our history."

Elaine Keillor's contribution to Canadian heritage earned her the first Canadian Women's Mentor Award in Arts and Culture in 1999. She has received three grants from SSHRC.

Music is probably the one artistic practice that had the greatest impact on the pioneers of this country.

## Mistaken Identity

Rod Lindsay

GRANT Standard Research Grant

AMOUNT \$150,000

The single greatest cause of wrongful convictions is misidentification, according to Rod Lindsay, a specialist in issues of eyewitness identification and child witness credibility. To reduce the chances of errors being made when children are the victims, Lindsay has been working on an approach to make the identification process more accurate.

The new approach is "more of an innocence test than a guilt test," says the Queen's University psychology professor. Children as young as two are shown several photographs at once and, rather than picking out the guilty party, are asked to remove those that don't look like the person responsible for the crime.

"When presented with a large number of photographs, young children tend to mistakenly identify a guilty party as innocent only after they have viewed and discarded more than 50 per cent of the pictures," Lindsay explains. "So, we use this procedure to eliminate a suspect rather than identify the guilty party."

With older children, aged eight to thirteen, this "elimination" method is used until there is only one picture left. The child is then asked if the remaining suspect is the person responsible.

This SSHRC-supported research evolved from Lindsay's earlier work that underscores the false assumptions that are often made in a traditional police line-up system where up to 40 per cent of witnesses may end up identifying someone as the perpetrator—even when the actual perpetrator is not in the line-up.

"Most witnesses approach a six-person line-up as a multiple choice test where they assume one of the suspects must be the right answer," says Lindsay. "If the person who committed the crime isn't there, witnesses often make an identification because they feel they are expected to choose one of the people in the line-up."

But, when witnesses view a random number of suspects or photographs of suspects, one at a time, in what is called a sequential line-up, fewer than 10 per cent choose an innocent person—and without decreasing the possibility that the culprit will be singled out.

Dr. Rod Lindsay's SSHRC-funded research continues to improve police identification procedures around the world. He has received six SSHRC grants.

The single greatest cause of wrongful convictions is misidentification.

**“Innovation is about turning new ideas and knowledge into new products, new services, and new ways of doing things. It’s not just about high technology and research labs.”<sup>1</sup>**

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**“Human knowledge is at the core of what is now called the new economy. Grey matter is becoming the single most important factor in a nation’s economic development.”<sup>2</sup>**

**“The Canada of tomorrow will be built upon the strength of its education system and the excellence of its students, scholars, innovators and entrepreneurs.”<sup>3</sup>**

1). Minister of Industry Allan Rock  
2). Stéphane Bergeron, MP  
3). Chuck Strahl, MP

# Question period

p. 39

DO NOT  
DRINK THIS  
WATER



EARTH

WATER

AIR

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- ↳ Number of deaths from contaminated drinking water in Walkerton: 7
- ↳ Number who became ill: 2,300
- ↳ Estimated cost: \$64.5 million

“The Walkerton tragedy reminded us that some combination of contaminated water sources, unskilled operators, inadequate treatment, aging infrastructure, insufficient financing or lax regulation can kill people. It forced us to heed the warnings that we had hitherto been inclined to ignore.” ELIZABETH BRUBAKER, author of *Property Rights in the Defence of Nature*

SSHRC invested \$8.1 million this year in 132 research projects related to the environment, sustainability and global climate change.



WORK, BUSINESS, ECONOMY

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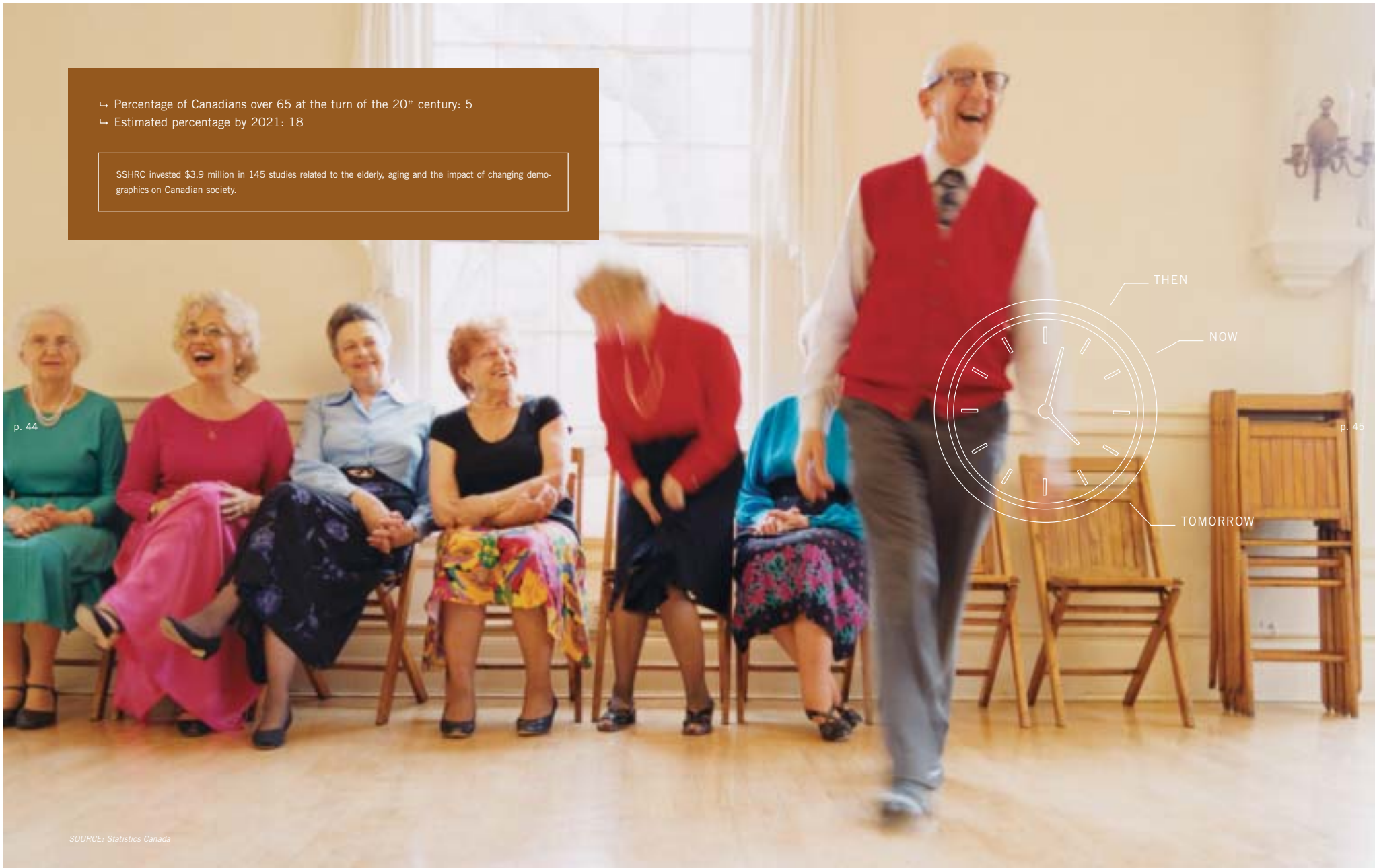
“Management is, above all, a practice, where art, science, and craft meet.” HENRY MINTZBERG, *Fast Company*, November 2000

- ↳ Average full-time Canadian salary in 1999: \$32,026 for women; \$45,800 for men
- ↳ Ten years ago, 50 per cent of Canadians worked 37.5 hours a week; today, 25 per cent work 50 hours or more, up from 10 per cent in 1991
- ↳ Number of Canadian commercial bankruptcies in 2001: 10,405
- ↳ Average earnings for Canadians with a university degree: \$42,054; without a degree: \$25,838
- ↳ Unemployment rate for men aged 15 to 24: 15%; for women: 12.6%

In 2001-2002, SSHRC invested \$22 million in 711 research projects relating to work, including innovation, industrial and technological development; management; productivity; economic and regional development; employment and labour; and financial and monetary systems.

- ↳ Percentage of Canadians over 65 at the turn of the 20<sup>th</sup> century: 5
- ↳ Estimated percentage by 2021: 18

SSHRC invested \$3.9 million in 145 studies related to the elderly, aging and the impact of changing demographics on Canadian society.



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## Thoughts on the Rocks

Daniel Arsenault

GRANT CURA

AMOUNT \$600,000

When Daniel Arsenault joined an archaeological research team 15 years ago and ventured into the wilderness of northwestern Ontario, his goal was to learn some English and make a bit of cash to fund his postgraduate studies.

But after the awe and elation of making his first discovery, money and language took a back seat to archaeology.

"We stumbled upon an undiscovered site late in the day and had to leave it until morning to document the find," he says. "When we arrived the next day, we immediately saw that someone had since been by and left tobacco as a ceremonial offering."

This living relationship with history keeps the Université Laval history professor hot on the trail of archaeological sites and ancient rock paintings called rupestrial drawings. But Arsenault is sometimes frustrated by contemporary additions to the ancient art.

"One of the biggest problems we have is graffiti. People find rock paintings, don't realize they are ancient, and they decide to add their voice to the works," he says. "That's why education is so important: these paintings are a part of our history."

Arsenault's latest research is taking him to the Ungava Peninsula in Nunavik where he is working with numerous community groups. Whenever he discovers new sites, Arsenault works closely with local Aboriginal groups to ensure they have an opportunity to reconnect with their ancestors.

"We are able to see so much of the customs and practices of early Canadian peoples through the study of the images, peace pipes and other ceremonial objects they've left behind," he says. "For me, the painted images are thoughts locked in the rocks. It's no different than finding a long-lost book."

The drawings help researchers piece together how early Indigenous peoples viewed the world and spirituality. This helps paint a portrait of the collective memories of today's Indigenous peoples.

And Arsenault continues to relive the excitement he first experienced years ago: "It gives me great personal pleasure to find a site knowing that I am helping the Indigenous people living in the area to rediscover a part of their past."

Daniel Arsenault is the recipient of four SSHRC research grants.

For me, the painted images are thoughts locked in the rocks. It's no different than finding a long-lost book.

## Studying School

Maurice Tardif

GRANT MCRI

AMOUNT \$2.5 million

Maurice Tardif and his team are conducting the most comprehensive study ever undertaken of teaching in Canadian public schools.

As teachers and administrators struggle to cope with shrinking budgets, rapidly changing curricula, swelling class sizes, and waves of retirements, researchers from 19 universities are working to assess the performance, competence and teaching methods of Canadian teachers from junior kindergarten to senior secondary school.

"This project gets to the heart of the critical questions and issues at play in today's education system," says Tardif, a professor of education at Université de Montréal. "The cornerstone of the Canadian education system, teachers continue to deal with a barrage of reforms and cutbacks that have fundamentally changed the classroom by altering daily workloads and the level of interaction with students.

"Teachers today face challenges unimagined by previous generations. They look out into the classroom and see large, ill-equipped, impersonal classes filled with children who need a more sophisticated education than ever before to help Canada keep its position as an innovation leader."

Today, there's nothing unusual about teaching a class of 35 students, with some who don't speak English or French, others who are too hungry to concentrate, and yet others with learning disabilities or other special needs.

"But it's more than just diversity in the student population", says Tardif. "We're talking about teachers' changing roles and duties as well as advances in technology and communications that are driving demands for a knowledge-based society. Moreover, in the past few years, there have been drastic changes in curriculum thrown into the mix."

The \$2.5 million, five-year project was one of five awarded funding under SSHRC's Major Collaborative Research Initiatives (MCRI) program. Tardif's project team draws researchers from eight Canadian universities, 11 U.S. and European post-secondary institutions, and is supported by Statistics Canada, the Council of Education Ministers of Canada, and the Canadian Teachers' Federation.

This project, approved early in 2002, was Professor Tardif's tenth SSHRC grant.

Teachers today face challenges unimagined by previous generations. Teachers deal with a barrage of reforms and cutbacks that have fundamentally changed the classroom.



## Governance

SSHRC is an arm's-length federal agency, created by Parliament in 1977 to promote and support research in the social sciences and humanities.

Governed by a 22-member board that reports to Parliament through the Minister of Industry, SSHRC forms intellectual and financial partnerships with public and private sector organizations to focus research and aid the development of better policies and practices in key areas of Canada's social, cultural and economic life.

## Council Members

SSHRC Council meets regularly to set policy and program priorities, to allocate budgets and to advise the Minister of Industry and Parliament on research policy for social science and humanities disciplines.

### Chair

*Marc Renaud*  
President, SSHRC

### Members

*John Adair*  
Department of Psychology  
University of Manitoba

*Penelope M. Ayre Rowe*  
Chief Executive Officer, Community Services  
Council of Newfoundland and Labrador  
St. John's, Newfoundland

*Mary A. Blackstone*  
Faculty of Fine Arts  
University of Regina

*Marcel Boyer*  
Chief Executive Officer, Center for Interuniversity  
Research and Analysis on Organisations (CIRANO)  
Montréal, Québec

*Tim Brodhead*  
President and Chief Executive Officer, The J.W.  
McConnell Family Foundation  
Montréal, Québec

*William Coleman*  
Director, Institute on Globalization and the Human  
Condition  
McMaster University

*Ellen Corin*  
Departments of Psychiatry and Anthropology  
McGill University

*Serge Courville*  
Département de géographie  
Université Laval

*John de la Mothe*  
Faculty of Administration  
University of Ottawa

*Patricia Demers*  
Department of English  
University of Alberta  
Vice-President, SSHRC

*Yves Gingras*  
Director, Center for Interuniversity Research on  
Science and Technology (CIRST)  
Université du Québec à Montréal

*Linda Harasim*  
School of Communications  
Simon Fraser University

*P. Lynn McDonald*  
Faculty of Social Work  
University of Toronto

*Nicole Lafleur*  
Chief Executive Officer, Cégep de Lévis-Lauzon  
Lévis, Québec

*James R. Miller*  
Department of History  
University of Saskatchewan

*J. Fraser Mustard*  
The Founders' Network  
Toronto, Ontario

### Associate Members

*Alan Bernstein*  
President  
Canadian Institutes of Health Research  
Ottawa

*Shirley Neuman*  
Dean, College of Literature, Science and the Arts  
University of Michigan

*Stan M. Shapson*  
Vice-President, Research & Innovation  
York University

*Stuart Martin Taylor*  
Vice-President, Research  
University of Victoria

*Anne Warner La Forest*  
Dean, Faculty of Law  
University of New Brunswick

*Catherine Wilson*  
Department of Philosophy  
The University of British Columbia

*Tom Brzustowski*  
President  
Natural Sciences and Engineering Research  
Council of Canada  
Ottawa

## Peer Review

SSHRC awards its grants and fellowships through an independent, national, peer-review process designed to ensure excellence. Peer review is universally recognized as the most objective and effective way to allocate public research funds.

Each year, volunteer selection committees of over 200 Canadian scholars and experts assess thousands of research proposals. They make recommendations about which projects to fund based on academic excellence, the importance of the research to the advancement of knowledge, and other key criteria. Nine thousand other Canadian and international experts provide written assessments of proposals to help the review committees in their decision-making.



## Financial Statements

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AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

### AUDITOR'S REPORT

To the Social Sciences and Humanities Research Council  
and the Minister of Industry

I have audited the statement of financial position of the Social Sciences and Humanities Research Council as at March 31, 2002 and the statements of operations, net liabilities and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Richard Flageole, FCA  
Assistant Auditor General  
for the Auditor General of Canada

Ottawa, Canada  
June 21<sup>st</sup>, 2002

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## Social Sciences and Humanities Research Council Statement of management responsibility

For the year ended March 31, 2002

Responsibility for the integrity and objectivity of the accompanying financial statements of the Social Sciences and Humanities Research Council of Canada for the year ended March 31, 2002 and all information contained in this report rests with the management of the Council. In order to assure maximum objectivity and freedom from bias, the financial data contained in these financial statements has been examined by the Council.

We have prepared these financial statements in accordance with Treasury Board of Canada accounting standards, which are based upon Canadian generally accepted accounting principles, using management's best estimates and judgements where appropriate. These statements should be read in the context of the significant accounting policies set out in Note 2 of the financial statements.

To fulfil these accounting and reporting responsibilities, the Council maintains a set of accounts, which provides a centralized record of the Council's financial transactions. Financial information contained in the ministerial statements and elsewhere in the *Public Accounts of Canada* is consistent with these financial statements.

The Council's Common Administrative Services Directorate develops and disseminates financial management and accounting policies, and issues specific directives which maintain standards of accounting and financial management. The Council maintains systems of financial management and internal control which give due consideration to costs, benefits and risks. They are designed to provide reasonable assurance that transactions are properly authorized by Parliament and are executed in accordance with the *Financial Administration Act* and the prescribed regulations, and are properly recorded and controlled so as to maintain accountability of government funds and safeguard the Council's assets. Financial management and internal control systems are augmented by the maintenance of internal audit programs. The Council also seeks to assure the objectivity and integrity of data in its financial statements by the careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that its regulations, policies, standards and managerial authorities are understood throughout the organization.

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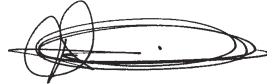
The accounting system and financial statements of the Council have evolved over the years to meet the changes in the structure of its grants and scholarships programs and to give improved reporting and control of expenditures relating to those programs.

Management presents these financial statements to the Auditor General of Canada who audits them and provides an independent opinion, which has been appended to the financial statements.

Approved by:



Daniel Gosselin  
*Director of Finance*  
 (Senior Full-time Financial Officer)



Michel Cavallin  
*Director General*  
 Common Administrative Services  
 Directorate  
 (Senior Financial Officer)

June 21, 2002

## Social Sciences and Humanities Research Council Statement of Financial Position as at

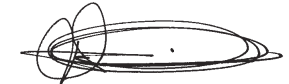
(thousands of dollars)	ASSETS	March 31, 2002	April 1, 2001
	<b>Financial assets</b>		
	Due from the Consolidated Revenue Fund	\$ 787	\$ 1,961
	Accounts receivable (Note 5)	1,285	480
	Advances	59	5
	<b>TOTAL FINANCIAL ASSETS</b>	<b>2,131</b>	<b>2,446</b>
	<b>Non-financial assets</b>		
	Prepaid expenses	20	70
	Capital assets (Note 6)	1,304	724
	<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>1,324</b>	<b>794</b>
		<b>\$ 3,455</b>	<b>\$ 3,240</b>
	<b>LIABILITIES</b>		
	Accounts payable and accrued liabilities (Note 7)	\$ 1,572	\$ 1,918
	Allowances for employee vacation and compensatory benefits	630	507
	Deferred revenue (Note 8)	443	425
	Allowance for employee severance benefits	1,503	1,181
	<b>TOTAL LIABILITIES</b>	<b>4,148</b>	<b>4,031</b>
	<b>NET LIABILITIES (Note 10)</b>	<b>(693)</b>	<b>(791)</b>
		<b>\$ 3,455</b>	<b>\$ 3,240</b>
	Contingencies (Note 11)		
	Commitments (Note 12)		

The accompanying notes form an integral part of these financial statements.

Approved by the Council:



Marc Renaud  
 President



Michel Cavallin  
 Director General – Common Administrative  
 Services Directorate

## Social Sciences and Humanities Research Council Statement of Operations

For the year ended March 31, 2002

(thousands of dollars)	2002
<b>EXPENSES</b>	
<b>Grants and Fellowships</b>	
Research grants	\$ 59,118
Strategic	34,595
Research training	29,736
Canada Research Chairs	11,175
Research communication	5,080
Initiative on New Economy	4,579
	<u>144,283</u>
<b>Operations (Note 14)</b>	
Salaries and employee benefits	10,527
Employee severance benefits	541
Professional and special services	2,799
Rentals	1,452
Transportation and communications	1,045
Amortization of capital assets	421
Information	369
Utilities, materials and supplies	331
Repair and maintenance	152
	<u>17,637</u>
TOTAL EXPENSES	161,920
Refunds of previous years' expenditures and other adjustments	(402)
NET COST OF REGULAR OPERATIONS	161,518
One-time grant expenditures for indirect costs of universities (Note 13)	199,900
NET COST OF OPERATIONS	<u>\$ 361,418</u>

The accompanying notes form an integral part of these financial statements.

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## Social Sciences and Humanities Research Council Statement of Net Liabilities

For the year ended March 31, 2002

(thousands of dollars)	2002
<b>NET LIABILITIES</b>	
Net liabilities, beginning of year	\$ (791)
Net cost of operations	(361,418)
Services provided without charge by other government departments (Note 14)	1,883
Net cash provided by Government	360,807
Change in due from the Consolidated Revenue Fund	(1,174)
NET LIABILITIES, END OF YEAR	<u>\$ (693)</u>

The accompanying notes form an integral part of these financial statements.

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## Social Sciences and Humanities Research Council Statement of Cash Flows

For the year ended March 31, 2002

(thousands of dollars)	2002
<b>OPERATING ACTIVITIES</b>	
Net cost of operations	\$ 361,418
<b>Non-cash items included in net cost of operations:</b>	
Amortization of capital assets (Note 6)	(421)
Services provided without charge by other government departments (Note 14)	(1,883)
<b>Statement of Financial Position adjustments:</b>	
Increase in accounts receivable	805
Increase in standing advances	54
Decrease in prepaid expenses	(50)
Decrease in accounts payable and accrued liabilities	346
Increase in allowances for employee vacation and compensation benefits	(123)
Increase in deferred revenues	(18)
Increase in allowance for employee severance benefits	(322)
<b>CASH USED IN OPERATING ACTIVITIES</b>	<b>359,806</b>
<b>INVESTING ACTIVITIES</b>	
Acquisitions of capital assets (Note 6)	1,001
<b>CASH USED IN INVESTING ACTIVITIES</b>	<b>1,001</b>
<b>NET CASH PROVIDED BY GOVERNMENT</b>	<b>\$ 360,807</b>

The accompanying notes form an integral part of these financial statements.

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## Notes to the financial statements

For the year ended March 31, 2002

### 1. Authority and objective

The Social Sciences and Humanities Research Council (SSHRC) was established in 1977 by the *Social Sciences and Humanities Research Council Act*, and is a departmental corporation named in Schedule II to the *Financial Administration Act*. The objective of the Council is to promote and assist research and scholarship in the social sciences and humanities.

The Council's funding programs provide support through grants, scholarships and fellowships for basic research (by individual researchers and research teams), targeted research (by multidisciplinary teams and research networks), advanced research training (at the doctoral and postdoctoral level) and research communication.

The Council's grants, scholarships, and operating expenditures are funded by budgetary lapsing authorities. Employee benefits are funded by statutory authorities.

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### 2. Summary of significant accounting policies

These financial statements have been prepared on an accrual basis of accounting in accordance with Treasury Board of Canada accounting standards. These standards are based upon Canadian generally accepted accounting principles. The most significant accounting policies are as follows:

#### (a) Parliamentary appropriations

The Government of Canada finances the Council through Parliamentary appropriations. Appropriations provided to the Council do not parallel financial reporting according to generally accepted accounting principles. They are based in large part on cash flow requirements. Items recognized in the Statement of Operations and the Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament. Note 4 provides information regarding the source and disposition of these authorities and a high-level reconciliation between the two bases of reporting.



**(b) Due from the Consolidated Revenue Fund and net cash provided by government**

The Council operates within the Consolidated Revenue Fund (CRF). The CRF is administered by the Receiver General for Canada. All cash received by the Council is deposited to the CRF and all cash disbursements made by the Council are paid from the CRF. Due from the Consolidated Revenue Fund represents the amounts of cash that the Council is entitled to draw from the CRF, without further appropriations, in order to discharge its liabilities. Net cash provided by government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government and a corresponding amount is credited directly to the net liabilities.

**(c) Revenues**

Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues. Revenues that have been received from external parties for specified purposes are disclosed as deferred revenue. Deferred revenue is recognized as operational revenue when the specified purpose has occurred.

**(d) Expenses**

Expenses are recorded when the underlying transaction or expense occurred subject to the following:

**Grants and scholarships**

Grants and scholarships are recognized in the year in which the entitlement of the recipient has been established when the recipient has met the eligibility criteria, the commitment has been authorized and approved and the payment is due before the end of the fiscal year.

**Employee severance benefits**

The Council provides post-retirement and post-employment benefits to its employees through a severance benefit plan. These benefit plans are not pre-funded and therefore have no assets. The Council calculates a liability and an expense for employee severance benefits using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole. Employee severance benefits on cessation of employment represent obligations of the Council that are normally funded through the Treasury Board Secretariat of Canada.

**Vacation and compensatory benefits**

Vacation and compensatory pay are expensed in the year that the entitlement occurs.

**Contributions to the Public Service Superannuation Plan**

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Public Service Superannuation Plan are recognized in the period that the contributions are made. The Council is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account. Actuarial surpluses or deficiencies are recognized and recorded in the consolidated financial statements of the Government of Canada. The Council's contribution in the year was \$ 987,066.

**Services provided without charge by other government departments and agencies**

Services provided without charge by other government departments and agencies are recorded as operating expenditures at their estimated cost and a corresponding amount is credited directly to the net liabilities.

**(e) Refunds of previous years' expenditures and other adjustments**

Refunds of previous years' expenditures are deducted from expenditures. These funds are remitted to the Receiver General for Canada.

**(f) Foreign currency transactions**

Transactions involving foreign currencies are translated into Canadian dollars equivalents using rates of exchange in effect at the time of those transactions. Assets and liabilities denominated in foreign currencies are translated using exchange rates in effect on March 31st.

**(g) Accounts receivable**

Accounts receivable are stated as amounts expected to be ultimately realized. An allowance is made for doubtful accounts from external parties for any amounts where the recovery is considered uncertain. No such provision is made for amounts owing from other government departments.

**(h) Capital assets**

Capital assets with an acquisition cost of \$2,500 or more are capitalized at cost as well as the standard furniture, equipment and desktop personal computer assigned to each employee due to the material number of such items. The capitalization of software and leasehold improvements has been done on a prospective basis from April 1, 2001. Capital assets are amortized over their estimated useful life on a straight-line basis, using a half-year rule in the year of acquisition and disposal, as follows:

CAPITAL ASSET CLASS	AMORTIZATION PERIOD
Informatics equipment including standard software issued on desktop computers	3 years
Purchased network software and in-house developed software	5 years
Other equipment	5 years
Furniture	7 years
Motor vehicles	7 years
Items acquired under capital leases	Lesser of their useful life
Leasehold improvements	or the term of the lease

**(i) Measurement uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant item where estimates are used is amortization of capital assets.

**3. Changes in accounting policies and related comparative figures**

In previous years, the Council prepared its financial results in terms of source and disposition of appropriations on a modified-cash basis of accounting. This is the first year that the Council has prepared a full set of financial statements on a full accrual accounting basis in accordance with Treasury Board of Canada accounting standards which are based upon Canadian generally accepted accounting principles. The major changes are as follows:

**(a) Financial statements presentation and comparative figures**

In prior years, the Council's financial reporting consisted of a Statement of Operations and notes to the statement of operations. The Council's March 31, 2002 financial statements contain a Statement of Financial Position, a Statement of Operations, a Statement of Net Liabilities, a Statement of Cash Flows and notes to the financial statements. It is neither practical nor cost effective for the Council to show comparative amounts on the Statements of Operations, Net Liabilities and Cash Flows because the information is not readily available and any estimation of previous years would not be able to be sustained with any degree of precision. Comparative amounts are therefore only presented on the Statement of Financial Position.

**(b) Parliamentary appropriations**

In prior years, Parliamentary appropriations were disclosed and reconciled to the net cost of operations in a note to the statement of operations. During the year, the Council retroactively changed its accounting policy for Parliamentary appropriations to that described in note 2 (a).

**(c) Allowances for employee severance benefits**

In prior years, the Council recognized expenditures relating to employee severance benefits on the cash basis. During the year, the Council retroactively changed its accounting policy with respect to employee termination benefits to that described in note 2 (d).

**(d) Allowances for employee vacation and compensatory benefits**

In prior years, the Council recognized expenditures relating to employee accumulated vacation and compensatory pay on the cash basis. During the year, the Council retroactively changed its accounting policy with respect to employee-accumulated vacation and compensatory pay to that described in note 2 (d).

**(e) Capital assets**

In prior years, purchases of capital assets were charged to operating expenditures in the year of acquisition. During the year, the Council retroactively changed its policy for accounting for capital assets except for software and leasehold improvements, which are capitalized prospectively from April 1, 2001 and thereafter. The costs are now capitalized and amortized over their estimated useful lives as detailed in note 2 (h).

**4. Parliamentary appropriations**

The operations of the Council are financed through Parliamentary appropriations. These appropriations are recorded when used and any amount not used lapses. Items recognized in the Statement of Operations in one year may be funded through Parliamentary appropriations in a different year. Accordingly, the Council has different net results of operations for the year on a government funding basis than on a full accrual basis of accounting. These differences are reconciled below:

(a) Reconciliation of net results of operations to total Parliamentary appropriations used:

(thousands of dollars)	March 31, 2002
NET COST OF OPERATIONS	\$ 361,418
<i>Adjustments for items not affecting appropriations:</i>	
<b>Add</b> Refunds of previous years' expenditures and other adjustments	402
<b>Less</b> Amortization of capital assets	(421)
Vacation and compensatory pay	(123)
Services provided without charge by other government departments and agencies	(1,883)
Severance benefits	(322)
<i>Adjustments for items affecting appropriations:</i>	
<b>Add</b> Capital acquisitions	1,002
<b>Less</b> Prepaid expenses	(50)
Other adjustments	(3)
<b>TOTAL PARLIAMENTARY APPROPRIATIONS USED</b>	<b>\$ 360,020</b>

(b) Reconciliation of Parliamentary appropriations voted to Parliamentary appropriations used:

(thousands of dollars)	March 31, 2002
<b>GRANTS AND SCHOLARSHIPS</b>	
Main estimates – Vote 105	\$ 146,883
<b>Add</b> Supplementary estimates	10,225
One-time grants for indirect costs of universities	199,900
<b>Less</b> Grants and scholarships lapse	(12,825)
Grants and scholarships expenditures	344,183
<b>OPERATING EXPENDITURES</b>	
Main estimates – Vote 100	12,477
<b>Add</b> Supplementary estimates, salary increments	2,403
<b>Less</b> Operating lapse	(501)
Operating expenditures	14,379
Statutory contributions to employee benefit plans	1,458
<b>TOTAL PARLIAMENTARY APPROPRIATIONS USED</b>	<b>\$ 360,020</b>

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5. Accounts receivable

(thousands of dollars)	March 31, 2002	April 1, 2001
Other government departments	\$ 503	\$ 76
External parties	824	446
Allowance for doubtful accounts	(42)	(42)
<b>TOTAL ACCOUNTS RECEIVABLE</b>	<b>\$ 1,285</b>	<b>\$ 480</b>

6. Capital Assets

(thousands of dollars)	Historical cost as at April 1, 2001	Additions for year ended March 31, 2002	Historical cost as at March 31, 2002	Accum. Amort. as at March 31, 2002	Net book value as at March 31, 2002	Net book value as at April 1, 2001
<b>CAPITAL ASSET CLASS</b>	<b>2001</b>	<b>2002</b>	<b>2002</b>	<b>2002</b>	<b>2002</b>	<b>2001</b>
Informatics equipment including standard software issued on desktop computers	\$ 1,102	\$ 326	\$ 1,428	\$ (981)	\$ 447	\$ 378
Purchased network software and in-house developed software	–	316	316	(31)	285	–
Other equipment	91	44	135	(61)	74	48
Furniture	776	122	898	(570)	328	298
Motor vehicles	19	–	19	(19)	–	–
Leasehold improvements	–	193	193	(23)	170	–
<b>TOTAL</b>	<b>\$ 1,988</b>	<b>\$ 1,001</b>	<b>\$ 2,989</b>	<b>\$ (1,685)</b>	<b>\$ 1,304</b>	<b>\$ 724</b>

Amortization expense for the period ended March 31, 2002 is \$ 421,013.

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7. Accounts payable and accrued liabilities

(thousands of dollars)	March 31, 2002	April 1, 2001
External parties – trade payables	\$ 677	\$ 12
External accrued liabilities	388	1,328
Other government departments	507	578
<b>TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES</b>	<b>\$ 1,572</b>	<b>\$ 1,918</b>

## 8. Deferred revenue

Deferred revenue represents the balance, at year-end, of the specified purpose accounts which includes transactions related to the Queen's Fellowship Endowment Fund as well as earmarked funds received in the form of private donations and interest generated thereon. These funds must be used for the purposes for which they were received.

### (a) Queen's Fellowship Endowment Fund

The Queen's Fellowship Endowment Fund consists of a \$250,000 endowment, which has been deposited in the Consolidated Revenue Fund and is internally restricted for specific purposes in the net liabilities (see Note 10). The interest generated on the endowment is used to fund fellowships to graduate students in certain fields of Canadian studies. Details of the transactions related to the endowment are as follows:

(thousands of dollars)	March 31, 2002	April 1, 2001
Balance, beginning of year	\$ 36	\$ 22
Interest received	9	14
Fellowships paid	–	–
<b>BALANCE, END OF YEAR (represented by deposits in the Consolidated Revenue Fund, in the name of the Council)</b>	<b>\$ 45</b>	<b>\$ 36</b>

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### (b) Restricted gifts, donations and bequests

Deferred revenue also includes transactions for the receipt, interest generated thereon and disbursements related to private restricted gifts, donations and bequests received for the specified purpose of special projects in the field of social sciences and humanities research activities. Details of the operations related to the restricted gifts, donations and bequests are as follows:

(thousands of dollars)	March 31, 2002	April 1, 2001
Balance, beginning of year	\$ 389	\$ 250
Restricted donations received	1	127
Interest received	8	12
Fellowships paid	–	–
<b>BALANCE, END OF YEAR (represented by deposits in the Consolidated Revenue Fund, in the name of the Council)</b>	<b>\$ 398</b>	<b>\$ 389</b>

## 9. Grants, scholarships and other expenditures administered and disbursed for government departments and agencies and organizations outside the government

Grants, scholarships and other expenditures administered and disbursed by the Council on behalf of government departments and agencies and organisations outside the government, which are not included in the statement of operations, amounted to \$ 48,225,000 (\$ 11,150,000 in 2001). Most of these disbursements are made by the Council from funds entrusted to it by government departments and agencies. The Council receives administrative fees in some circumstances where a significant administrative burden is incurred by the Council for the administration of certain funds on behalf of other government departments and organizations.

## 10. Net liabilities

The Government of Canada includes in its revenues and expenses the transactions of certain consolidated accounts established for specified purposes. The Queen's Fellowship Endowment Fund is a consolidated specified purpose account, which consists of an endowment of \$ 250,000. The transactions generated from the endowment are included in deferred revenue (see Note 8). The endowment itself does not represent a liability to third parties but is internally restricted for specified purposes. The details of the net liabilities are as follows:

(thousands of dollars)	March 31, 2002	April 1, 2001
Consolidated specified purpose account balance–endowment fund	\$ (250)	\$ (250)
Net liabilities excluding endowment fund	943	1,041
<b>NET LIABILITIES</b>	<b>\$ 693</b>	<b>\$ 791</b>

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## 11. Contingencies

In the normal course of its operations, the Council becomes involved in various legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the amount can be made, this estimated amount is recorded in the financial statements. In 2001, the Council was served with a statement of claim arising from Employment Equity. The potential liability of the Council and consequent damages arising from such a liability are estimated by management at \$1,920,000. In the opinion of management, the outcome of the claim is not determinable at this time.

## 12. Commitments

Payments of grants and scholarships extending in future years are subject to the provision of funds by Parliament. Future years awards adjudicated prior to March 31, 2002 are payable as follows:

(thousands of dollars)	
2002-2003	\$ 141,458
2003-2004	102,214
2004-2005	59,407
2005-2006	28,269
2006-2007 and subsequent years	44,481

In addition, the nature of the Council's operating activities result in some large multi-year contracts and obligations whereby the Council will be committed to make some future payments when the services or goods are rendered. Major operating commitments that can reasonably be estimated are as follows:

(thousands of dollars)	
2002-2003	\$ 1,523
2003-2004	1,522
2004-2005	1,519
2005-2006	1,510
2006-2007 and subsequent years	9,068

## 13. One-time grant expenditures for indirect costs of universities

During the year, the Council was mandated to administer the one-time program for university indirect costs. This program consisted in the awarding of one-time grants to Canadian universities. These grants were for the reimbursement of a portion of the indirect costs associated with the recent increase in federal investments in research performed at universities and their affiliated research hospitals. Payments were aimed at reimbursement of a portion of the expenditures already incurred and, consequently, the funds were provided as a single payment. These expenditures are not expected to be recurring, as there is no firm commitment to render this program permanent.

## 14. Related party transactions

The Council is related in terms of common ownership to all Government of Canada departments, agencies and Crown Corporations. The Council enters into transactions with these entities in the normal course of business and on normal trade terms applicable to all individuals and enterprises except that certain services, as defined previously, are provided without charge.

During the year, the Council received services without charge, which are recorded at fair value in the financial statements as follows:

(thousands of dollars)		March 31, 2002
Accommodations provided by Public Works and Government Services Canada		
		\$ 1,170
Payroll and banking services provided by Public Works and Government Services Canada		
		18
Contributions covering the employer's share of employees medical and dental insurance premiums provided by Treasury Board Secretariat		
		633
Audit services provided by the Office of the Auditor General of Canada		
		62
<b>TOTAL SERVICES PROVIDED WITHOUT CHARGE</b>		<b>\$ 1,883</b>

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