

BASIC RESEARCH^{1/}

Twenty-nine companies spent \$36.5 million for basic research.^{2/} The ten largest respondents accounted for two-thirds of this total.

Firms conducting or financing basic research allocated 19.3 percent of their total research and development expenditures for original investigations. A smaller ratio of 15.8 percent is obtained when the additional 13 firms with only applied research and development programs are included in the analysis. The latter were mostly smaller firms (see Chart 13).

Table 23

IMPORTANCE OF BASIC RESEARCH TO
DIFFERENT SIZE FIRMS, 1965

Sales Group (millions of dollars)	Firms with & without Basic Research		Firms with Basic Research	
	Number of Firms	% Spent for Basic Research	Number of Firms	% Spent for Basic Research
\$100 & over	10	16.5%	9	18.8%
\$30-under \$100	11	14.8	8	21.5
Less than \$30	<u>21</u>	<u>13.8</u>	<u>12</u>	<u>19.0</u>
Average, All Firms	42	15.8%	29	19.3%

^{1/} Based on responses from 42 member firms.

^{2/} Reporting companies' own funds spent for original investigations conducted within and outside of company facilities, excluding all government funds.