It is essential for the welfare of Canadian science as a whole that the strong position of the Council's laboratories be maintained to provide leadership in scientific fields and to provide a flow of top-ranking scientists from the laboratories to the universities and to industry.

The long-term problem facing the Council today is fundamentally the same as it was forty years ago -- to assist in building up in Canada a first-rate body of scientists and engineers adequate for the expanding development of the country. No better way of doing this has been found than a programme of scholarships and grants. The Council's current programme for this purpose is in the neighbourhood of \$3.5

RP/A