> tions for the services, consulting, testing, specifications and miscellaneous inquiries . . . In my view, at least as far as the National Research Council is concerned, long-term investigations, fundamental and applied, must constitute the major effort of the laboratories, if they are to keep the scientific reputation they have earned.[9]

The similarity between NRC's "redefined" and old roles is remarkable. The information NRC provided to the committee in May 1976 on its 1976-77 budget for intramural operations was also revealing. This budget was estimated at $63.7 million and distributed as follows: 25 per cent for basic and exploratory research, 23 per cent for research on long-term problems, 18 per cent for research in direct support of industrial innovation, 13 per cent for research to provide technological support of social objectives, 12 per cent for national facilities and 9 per cent for research and services related to standards.[10]

So 48 per cent of the budget or $31 million was devoted to what Dr. Steacie described as long-term investigations, fundamental and applied, and performed by two divisions of NRC, the biological science laboratories and the physical and chemical science laboratories. It is difficult to find in those figures the significant internal shift of emphasis anticipated by Mr. Drury. Is this another illustration of the gap existing between the formulation of science policy by the government and the implementation of that policy by science managers? Dr. Schneider seemed to indicate in May 1976 that "the significant *internal* shift of emphasis" would occur not through a change in NRC's intramural activities but through greater industrial participation in those activities or more grants to industry, presumably under the Industrial Research Assistance Program (IRAP).[11] We wonder if this is the kind of internal shift Mr. Drury had in mind.

We still believe that our 1972 proposal to transform NRC into a national academy concentrating on long-term investigations, fundamental and applied, makes sense. Its core already exists, in fact, since the physical and chemical science laboratories and the biological science laboratories already have a separate existence, each with its own group director. They had an operational budget of about $31 million in 1976-77. Of course, if the make-or-buy policy is applied extensively that budget will decline, which will mean an increased amount of unused capacity and low morale. But if most of what is left of the intramural long-term investigations presently carried out by operational departments and agencies is transferred, there will be enough prestigious work to make the new academy not only a viable centre of excellence but a great one, quite capable of contributing to the international pool of free knowledge and maintaining Canada's reputation.

NRC has reached the crossroads. Dr. Steacie feared that a significant internal shift of emphasis toward mission-oriented industrial research would "force real research out of the door." We share this fear and feel that pressure to make this shift will exist as long as NRC's role is ambivalent—as long as it is expected to contribute simultaneously to scientific discovery and