

There is much discussion in Canada on Science Policy at the present time, so much so that I will not recite again the reasons for all these reviews. These are well known to this committee. Rather, I would like to make some specific comments on the operations of United Aircraft of Canada Limited.

The Company has a number of activities, which are described in general terms in a series of Appendices to this brief. I will discuss in the following our PT6 gas turbine engine program only, to illustrate how judicious Government support for development projects can produce worthwhile results.

By the end of 1968, the Government had contributed \$12.6 million to this program, the full amount pledged by the Government being \$15.8 million. The combined investment of the Government and the Company has produced the following cumulative employment, product and exchange volumes, expressed in millions of dollars:

Year	Cumulative Government Support	Cumulative Gross Payroll			Cumulative Total Sales	Cumulative U.S. Currency Sales *	Cumulative Net U.S. Currency Inflow *	Cumulative Canadian Content **
		Engrg.	Other	Total				
1962	3.5	7.2	0.8	8.0	-	-	-	-
1963	4.2	9.4	1.5	10.9	-	-	-	-
1964	5.6	11.9	4.1	16.0	2.6	2.5	1.6	1.7
1965	7.8	14.1	8.4	22.5	10.1	9.1	5.7	6.7
1966	10.9	17.1	14.6	31.7	27.1	23.2	14.3	18.2
1967	11.9	18.8	22.4	41.2	58.9	48.0	29.0	39.9
1968	12.6	20.3	30.9	51.2	92.0	71.3	42.1	62.8
1969	13.4	21.8	41.9	63.7	136.0	102.3	60.9	94.6
1970	13.9	23.1	54.5	77.6	188.0	142.3	87.9	133.6

\* These are direct exports only. They do not include sales to Canadian customers for installation in aircraft to be exported.

\*\* Recurring production content only. Excludes design, development and non-recurring production costs.

While forecasts beyond 1970 exist, data beyond that point have not been used lest they detract from the validity of the figures. This table indicates that a relatively small investment on the part of the Government to enable the Company to proceed with a program in time to meet market requirements has fostered a contribution to our country's GNP and foreign exchange out of all proportion to the amount invested. By the end of 1970, a \$13.9 million investment of Government funds will have fostered \$133.6 million additional GNP with increasing annual increments (\$22.9 mn, \$31.8 mn and \$39.0 mn in 1968, 1969 and 1970), such that the addition to GNP in 1970 alone will be three times the cumulative gross Government investment.