

**Mr. E. Bobkowicz:** Of course the risk has to be spread. At the moment there is a risk involved to you, you are dealing only with one party. Here in our scheme the risk is spread over many firms. It is more flexible. The inventor would then be responsible to find the money on the market himself, providing the government is willing to guarantee it.

**The Chairman:** Yes, but once he has a government guarantee it makes things much easier.

**Mr. E. Bobkowicz:** Yes, it will make it much easier, but still the private investor will look into it. If I go, for instance, with an export product to a bank and I have even the coverage—had that with Egypt, for instance. I exported some wheat and I had to find somebody who would take the rest of the risk, which I believe was 20 per cent. I was told, all right, we can insure this, but it is up to you to find the money. Our banks cannot provide you with the money. So we had to do it. So even at that time there was reluctance on the part of the bank in Canada. We could not find the money here so I found it in Amsterdam. We are providing a tool like a mortgage on a house. Supposing we had no mortgages now? Who would finance all these buildings? This is almost, let us say, mortgaging ideas. In my opinion this would be a very flexible instrument without involving government expenditure, only the risk. If our present government wants to spend, let us say in a certain field, \$200 million or \$100 million or \$50 million, for \$50 million you can only have \$50 million of work or business covered. For \$50 million of insurance you can have ten times higher output. This would be very practical. Those who finance such a scheme would have to pay an insurance premium. It could be 5 per cent of the amount. That would be the cost of the development of the idea. The government would get money back right away, building up a fund in case of a loss, in which case they recover from the fund. With the Export Insurance Company I understand those fears were exactly the same. What would happen if there were a loss? How can we then recover? Now it appears that they have an income, not a loss, despite the heavy risk.

**The Chairman:** The same thing applies with Central Mortgage. I think they have been able to reduce the premium on their insurance.

**Mr. E. Bobkowicz:** Yes; I had a Central Mortgage myself when I came to Canada. I bought one of the insurances; then I wanted to get out of this insurance because I wanted to take the risk myself, but I could not.

**The Chairman:** I have a final question. This has to do with the coordination of these various incentive programs, since you seem to advocate various incentive programs to fit different situations. It has been proposed to us that there should be much more co-ordination among these various programs. Centralization of their administration has been suggested, instead of having one in NRC, one in Defence Production, or two or three in industry. Do you have any comments to make on this, Mr. Golden?

**Mr. Golden:** It think perhaps some of my colleagues would like to comment. I should say, first of all, from our parochial point of view just thinking of the aerospace industry as such, this is not basically a major problem. Most of our activities in the development field relate to the Department of Industry, Trade and Commerce. They understand our problems. We would like more money and things like that, but they understand our problems and we do not on the whole feel that there is any real problem there. I think we would feel that research in the universities, that part of research in the universities which is funded by the federal government could probably be co-ordinated better by NRC. It may very well be that from time to time the various government agencies concerned should be talking to each other more than they do. Perhaps some of the in-house programs could be better related to what industry expects to achieve from them. My general reaction to that question would be that this is not a major problem in the aerospace industry. Now I will probably be contradicted by some of my colleagues here.

**Mr. Roth:** I think in general industry agrees that the existing administrative procedures are adequate. This does not mean that they are perfect. We have had complaints about the time it takes to get approval, which we would like improvement on. We believe, though, that because of the several different types of government programs, you mentioned NRC, there is DRB, DIR, and so on, there could be more co-ordination. We believe that this kind of co-ordination should be done by the Department of Industry, Trade and Commerce, who best understand our problem.