

28. The scope of such assistance would thus be considerably increased and widened. The invention risk insurance possibilities would no doubt enhance the importance as well as the effectiveness of all hitherto existing R. & D. assistance programs, such as Industrial Research and Development Incentive Act (I.R.D.I.A.), P.A.I.T. as well as N.R.C.'s I.R.A. Inventors would thus be able to operate within highly flexible assistance programs aimed at mission-oriented projects together with Canada's Universities, (already increasingly involved in cooperation with private industry) resulting in a better scientific environment.

II. Special Income-Tax Incentives for Export-Oriented New-Invention Industries.

29. To attract companies desirous of setting-up plants to exploit new processes or products, not being exploited in Canada, long range income-tax-credit incentives should be provided for a period of about ten years. By their very nature, such new products and processes based on technical advancements and innovation are multinational in character and in their commercialization. Multinational industrial corporations have to operate on the basis of long-range planning and thus would be reluctant to consider acceptable the present 3-year incentive programs. Nor would they agree to confinement to designated areas: the choice of location for setting up of such modern plants is governed by prevailing conditions most favourable from the economic, social and scientific points of view, and depends on the raw materials used, the type of product manufactured, markets to be served, the scientific-technological environment needed and labor sources available.

30. To prevent conflict with General Agreement on Tariffs and Trade (G.A.T.T.) provisions and to assure continuous growth of the Canadian economy, it is suggested that the income-tax-credit incentive should stipulate that the full prevailing