

2. AIRCRAFT CONTRACTS

This article referred to some eleven contracts for the manufacture, in Canada, of military types of aircraft. Six of these were criticized as being cost-plus contracts. Such contracts were criticized as being intrinsically bad and the terms and conditions of these particular contracts were described as unbusiness-like. There were the same allegations of: waste, incompetence and political log-rolling.

The essential facts with regard to the production of aircraft in Canada are as follows.

When the present government took office the Royal Canadian Air Force lacked modern service types of planes.

Supplies from Great Britain were not obtainable since the entire productive capacity of the British aircraft industry was required for the Royal Air Force.

Purchase from the United States was undesirable from several standpoints, chief of which was the risk that the neutrality policy would cut off this source of supply when most needed, namely in time of war.

What was needed was, not merely an immediate supply of planes, but a permanent source of supply which could be relied upon in an emergency. Such a source must be Canadian.

But while Canada had a number of firms turning out light commercial planes, she had no industry equipped and experienced for the production of the much heavier and more complicated types of aircraft required for defence purposes.

It was considered necessary, as an essential defence policy, to develop in Canada the skill and experience and to establish in Canada the industrial plant appropriate to meet this crying need.

The present Government undertook that responsibility, and it did so successfully. It was realized from the outset that the process would be long, difficult and costly. Canada did not have the plant, the engineers trained in this art, nor the skilled workmen.

But she has them today. When war broke out, as the direct result of this criticized policy, Canada was able to mobilize a substantial and worthy air force for the patrol and defence of her exposed Atlantic Coastline.

The length of time taken for delivery is criticized. The department's traducers ignore that more was being undertaken than the mere manufacture of aircraft. The primary task was that of creating an aircraft manufacturing industry.

Plant had to be built in some cases. Engineers and workmen had to be trained. The fundamental processes are such that when the specifications came from the Old Country in