

I turn now to the various individual programmes. It is perhaps appropriate to start with the aircraft programme, because it is the largest. It is in this field that Canada has demonstrated its ability to compete with other countries, and it is in aircraft production that we can make a major contribution, not only to our own defence effort but to that of our allies. The Aircraft Division has already placed contracts amounting to over \$400 million, and a number of programmes are well under way.

After spending years in research and development work on the CF-100 jet fighter and its Orenda engine, Avro in Toronto will be in production this fall. Deliveries of this aircraft will depend on how soon the new engine plant under construction at Malton can produce Orenda engines in quantity. In Montreal the F-86 Sabre is now in quantity production, with output limited only by the number of engines and complementary equipment imported from the United States. The Harvard training plane is being built in Fort William, and it is planned to produce its engine, propeller and other components in Canada as well. It is noteworthy that this will be the first time that complete aircraft have been built in this country with all components Canadian-made. It is expected that Canada may be able to supply the United States and Commonwealth countries with their requirements for this aircraft and its spare parts. As you know, the Canadian Beaver was chosen by the United States authorities in competition with eight United States aircraft manufacturers, and orders have been placed for 109 planes to be used by the United States air force. A further and larger order is expected.

I have just recently received word that Canada will participate in the production of the United States air force twin engine trainer, the Beechcraft T-36A. Negotiations are not yet completed, but plans are also under way to produce in Canada the Lockheed T-33 dual controlled jet trainer.

The division is also engaged in placing orders and arranging for the production of a number of components required by the aircraft industry. Another important phase of its work is the allocation of orders for maintenance and repair of aircraft. For some years it has been the government's policy to allocate this work to various sections of the country in order to ensure that adequate repair and maintenance facilities are strategically located across Canada. At the present time we have repair and overhaul requisitions from the R.C.A.F. amounting to approximately \$35 million, with some programmes extending over two years.

We now come to the Electronics Division. This is one field in which Canadian production will make a substantial contribution, not only in producing for our own requirements but also for the requirements of the United States and our NATO allies. A great deal of research has been carried out by the Defence Research Board, the National Research Council, and industrial research workers as well as universities, and it is hoped that much of this research can be carried through the development field and into the production field in order to meet allied military requirements. It is difficult to describe major electronics projects because of their complexity, variety and interrelation with the aircraft, shipbuilding and other programmes.

Our present electronic programme for the armed services is already under way and will eventually total more than \$400 million. As about one-quarter of the programme has been placed with prime contractors, the impact of this work on