

successful in providing for extensive growth of trans-border operations - possibly more complete than between any other two countries. We have achieved a working arrangement with regard to non-scheduled trans-border operations which has eliminated a great deal of the red tape which existed, although to date U.S. operators have shown a greater desire to take advantage of it than Canadian operators. This type of arrangement could well I think be applied between other countries. Scheduled routes between Canada and the United States are governed by a formal bilateral agreement and while we have over twenty such routes incorporated in the trans-border agreement, I believe that, in due course, we should go even farther in the direction of more trans-border routes and more opportunities for reciprocal operations.

It would take separate addresses to deal properly with the aircraft industry and with airports and aids to navigation. All I can do is make a passing reference.

To an even greater extent than in the commercial air-service field, the Canadian aircraft is a new thing. Canada cannot compete with the U.S. industry in terms of multiplicity of types or original designs, but Canada now has a substantial aircraft production industry. We have taken some steps forward in the way of original design, but to reach maturity in this field will take many years although we have been and remain world leaders in design of "bush" aircraft. Canadian Car and Foundry with the "Norseman", and more recently Canadian De Havilland with the "Beaver" and the "Otter", have produced original Canadian types of unequalled performance and capabilities. Canadair, a relative newcomer to the design field, has already proven its unusual ability in production both in matter of speed and cost. Production of civil "North Stars" and military "Sabres" "T33's" and "T36's" have and are proving their capabilities. Canadian Avro is concentrating on military work although it had earlier made extremely promising beginnings in the civil field. A number of both British and U.S. aircraft firms have entered or are entering Canada and establishing Canadian plants and Canada will shortly have a substantial aircraft engine industry as well.

In the field of airports and aid to navigation, Canada faces a serious handicap. With a larger area to cope with than the continental United States, we have a much smaller population to pay for the necessary facilities. In spite of this, wartime and postwar development has given Canada a good network of airports, airways and aids to navigation although far less extensive than that in the United States.

Integration of civil and military airport planning has helped Canada considerably in meeting this problem. Where an adjustment in plans for expenditure of military funds on airports or aids would help civil aviation, it is often possible, with RCAF co-operation, to make that adjustment. Similarly, civil agencies try to adjust civil plans to meet both immediate and long-term military needs. This has been helped by the Canadian system whereby the Civil Airport Construction Division of the Department of Transport does all airport construction in Canada not only for civil purposes but for the Department of National Defence as well. Improved overall planning as well as increased economy and efficiency have resulted. At the same time, we have been successful in a number of cases in making arrangements with the RCAF for joint use of certain airports and aviation facilities rather than costly duplication. Our work in these fields has been simplified because in Canada, unlike the U.S., all matters directly related to civil aviation are completely and solely within the Federal jurisdiction, so that the Federal Government possesses both full authority and full responsibility. The Canadian Government has itself constructed and own and operates most of the