

(C.W.B. September 2, 1949)

**100 JET AIRCRAFT:** Completion of negotiations for the manufacture in Canada of the F-86 jet fighter aircraft was announced in Ottawa on August 25 by the Minister of National Defence, Mr. Claxton. The aircraft will be manufactured in Montreal by Canadair Limited. The initial order for the RCAF consists of 100 aircraft, the first of which is expected for delivery by August 1950.

The F-86, a single seater interceptor aircraft, is at present being introduced into use by the United States Air Force. Powered by a General Electric axial flow jet type engine, the F-86 carries an armament of six .50 calibre guns in its nose, has a tactical radius of 500 miles, a service ceiling of over 40,000 feet and is the holder of the official world speed record of 670.9 miles per hour, fully armed as a combat aircraft.

The aircraft was released for manufacture in Canada by the United States Government and a licence agreement was concluded with North American Aviation, Los Angeles, California. This agreement permits Canadian modification or improvement of the aircraft.

#### CONTRACT PRICE

The contract price for 100 aircraft with Canadair Limited of Montreal is \$30,211,190. This includes manufacture of the airframe, airframe spares, jigs, tools, dies, sales tax, publication, ground handling equipment, royalties, and other items. The contract price does not include engines, radio, armament and other special equipment to be provided from other sources. A breakdown is as follows: airframes (100), \$19,029,900; airframe spare parts, \$1,902,990; Production and machine tools, \$8,178,000; royalties, \$625,000; publications and ground handling equipment, \$475,300. Costs quoted for the first 100 aircraft include many initial expenses connected with tooling up. Additional orders, if placed, would result in a lower unit cost.

The signing of the contract for the F-86 by the officials of the Canadian Commercial Corporation, the government agency responsible for awarding of government supply contracts, and Canadair Limited, climaxes many months of planning and negotiations. This contract for F-86s and the one recently signed for the production of the latest anti-submarine vessels for the Royal Canadian Navy reflects the Government's intention to equip the armed forces with the best equipment and to maintain in peacetime the aircraft and shipbuilding industries which are so vital to our security.

**NAVAL APPOINTMENT:** Commander Dudley G. King, R.C.N., of Victoria, has been appointed Chief of Staff to the Flag Officer Pacific Coast. Naval Headquarters has announced. He recently completed a course at the National Defence College, Kingston.

**CANADIAN AIRLINES:** The four scheduled Canadian airlines carried a record 716,800 revenue passengers during 1948, an increase of 136,700 or 23 per cent over the 582,100 passengers transported in the preceding year, according to preliminary figures issued by the Bureau of Statistics. Revenue passenger load factor improved from 61 to 65 per cent.

Traffic carried by the other Canadian carriers improved considerably over 1947 with 163,600 revenue passengers against 11,500 one year earlier, up nearly 47 per cent. On international routes, Canadian carriers reported 136,400 revenue passengers compared with 122,000 in 1947 to claim a larger share of this traffic. Foreign (United States) lines had 181,700 paying passengers, down from 200,000 in the similar period of 1947.

The gain in the number of air travellers during 1948 contrasts with a decline in railway passenger traffic from 1947 of seven per cent.

**RCAF APPOINTMENTS:** Four senior Air Force officers have been transferred to new appointments in a recent shift of staff officers announced by Air Force Headquarters, Ottawa. They are Group Captain G.E. McCormick, OBE, 37, of Ottawa, who moves from Air Force Headquarters to Air Materiel Command as Senior Supply Officer; W/C R.J. Lane, DSO, DFC, 29, of Victoria, B.C. who has been appointed Senior Personnel Staff Officer at Air Transport Command Headquarters; Wing Commander W.P. Pleasance, DFC, 40, of Calgary former Senior Air Staff Officer of Air Transport Command has been appointed RCAF liaison officer at the headquarters of the International Civil Aviation Organization; and W/C A.H. Hill, 37, of Winnipeg, has been transferred from Britain to the Signals Division of Air Force Headquarters.

**LAVERENDRYE MONUMENT:** The historic voyage of the explorer Sieur de LaVerendrye, first white man to cross the western plains in search of the "Western Sea", will be commemorated by the erection of a boulder and bronze tablet at the intersection of the Windygate Road and Highway No. 3 near Morden, Manitoba.

The tablet is being erected by the National Parks Service of the Department of Mines and Resources on the recommendation of the Historic Sites and Monuments Board of Canada.

LaVerendrye started out from Fort Michilimackinac on the Great Lakes in July, 1738. He reached a point on the Assiniboine river where he established Fort LaReine. On October 18 of the same year he set out across the Morden region on the way to the country of the Mandans. This branch of North American Indians lived on the plains in the vicinity of the Missouri river and the explorer hoped that by

following this river he would eventually reach the western sea.

The monument will be unveiled with appropriate ceremony on Labour Day, September 5, under the auspices of the Pembina Hills Historical Society. The Reverend Antoine d'Eschambault, Manitoba Member of the Historic Sites and Monuments Board, will represent the Department of Mines and Resources and the Board at the ceremony.

**ARMY SUMMER TRAINING:** August 26 marked the "cease fire" for summer training in the Petawawa Canadian Army base.

This year, over 4,000 Reserve Force officers and men passed through the intricate and efficient training mill operated by Central

Command, and, while the number fell slightly short of advance expectations, Maj.-Gen. Chris Vokes and his staff are well satisfied with the results.

"It has been quite apparent," Gen. Vokes said, "that the standard of training carried out by the Reserve Force units in their own locales is very good. The troops have displayed a great deal of enthusiasm and keenness -- always a healthy sign.

"I have been pleased, too, with the good type of soldier in the Reserve Force, especially among the younger lads."

Commenting on the two brief exercises for armoured and infantry divisions, the second of which finished August 26 and heralded the end of the summer camp, Gen. Vokes said both were "extremely valuable and enlightening."

## CANADA'S FOREIGN TRADE PICTURE

**JUNE FAVOURABLE BALANCE:** Canada had a favourable balance of trade of \$6,900,000 in June. This was larger than the average monthly rate during the first half year and was greater than in June last year. The export balance in June resulted from domestic exports of \$255,100,000 and foreign exports valued at \$2,300,000. The total of domestic exports was well above June 1948 when the value was \$233,500,000, but was down from the May figure of \$272,900,000. Merchandise imports in the month were valued at \$250,500,000, unchanged from the high level of May but \$17,500,000 above June last year.

In the first half of 1949 Canada had a surplus from merchandise trade of \$29,100,000. This compares with \$148,800,000 in the first half of last year and \$324,300,000 in the second half of 1948 when there was an unusual concentration of exports. A substantial increase in the value of imports by Canada which was considerably larger than the small increase in Canadian exports, gave rise to this result. Canadian prosperity and improving supplies abroad contributed to this change.

The volume of many imports was greater than in the corresponding period last year and import prices were generally as high or higher. At the same time there was a reduction in the volume of many exports but most export prices in the first half of this year continued to be higher than in the same period last year although some were lower than recent peaks. Reduced demands abroad and seasonal and other factors affecting certain kinds of production led to the lower volume of exports.

Most of the reduced balance of exports in 1949 arises from an increase in Canada's commodity deficit with the United States. This deficit amounted to \$308,300,000 in the first six months of this year compared with \$228,200,000 in the same period last year. A rise

in imports from the United States of about 14 per cent was the reason for this as exports to the United States only rose at about half this rate.

In contrast to this reduction in the disequilibrium between Canada and the United Kingdom there has been an increase in the balance of exports to other Commonwealth countries.

**MERCHANDISE IMPORTS:** The value of Canada's merchandise imports in June continued at the high level reached in May, according to the Bureau of Statistics. The total of \$250,500,000 in both months was higher than in any month last year and has only been exceeded in value by imports in October, 1947. The comparable total in June last, one of the highest months of the year, was \$233,000,000.

The June figure raised the cumulative total for the first half of this year to \$1,409,400,000 from \$1,270,100,000 in the similar period last year. The advance over June last year was 7.5 per cent, down from the average of 11.7 per cent in the preceding five months. The over-all increase in the first six months of this year was 11 per cent.

The advance in the month and half year was due for the most part to increased purchases from the United States. June imports from that country totalled \$176,855,000 compared with \$154,918,000, and in the half year, \$1,008,786,000 compared with \$884,468,000. The United States share of total Canadian imports rose from 66.5 per cent in June last year to 70.6 per cent this year, and in the first half year from 69.6 per cent to 71.5 per cent.

Purchases from the United Kingdom in June were valued at \$26,955,000, up about \$1,000,000 over June last year. The aggregate for the first six months of this year was \$163,209,000 as compared with \$139,130,000 in the like period of last year.