

records might be imitated. I have had the pleasure of visiting several of our Canadian plants and I can appreciate, in spite of a lack of technical training, the vastly more complex problems that must be solved by today's producer of military aircraft.

I mention these facts to show that Canada early formed a tradition of flying and of production in which she can take pride.

By 1927 civilian aviation in Canada had developed to such an extent the government of the day set up the Civilian Aviation Branch to have authority over such matters as the licensing of flying personnel, airports, the survey of air routes and the administration of Air Regulations. But this Branch, together with the Royal Canadian Air Force, remained under the Department of National Defence. This arrangement continued until 1936, when the new Department of Transport took over the responsibility for civil aviation. As one of its first tasks the new Department began to provide for a trans-continental air system for Canada which involved the construction of aerodromes, runways, airport buildings, radio range stations and servicing facilities.

The next and latest change in the machinery for regulation of civil aviation took place in 1944 when the Air Transport Board was established. The Board's function is to advise the Minister of Transport in matters pertaining to civil aviation and to deal with the economic regulation of air services in Canada.

While military and civilian aviation are now administered separately there is a strong interrelationship between the two. Both are essential to our national economy and to our national security. For that reason our military aircraft must be the most efficient and effective that we can produce or acquire and our civilian aircraft must be able to secure and to carry for their operators payloads that will earn a fair return on the investments made in them.

This interrelationship and interdependence of the two branches of aviation in Canada can be observed in both aircraft production and in aircraft operation.

On the production side, the aircraft industry, like other industries, has been able to apply to civilian production the lessons that were learned and the discoveries that were made during the period of the war when advances, which would normally have required years, were made in a short space of time. It is accurate to say, I believe, that the gas turbine engine would not yet be in general use nor would the electronic devices and safety equipment be so far advanced had it not been for the stimulus provided during the late war. It is unfortunate that it takes a war to accelerate such developments but some comfort can be derived from their subsequent application to peacetime aviation.

And I am sure that the \$105 million which the Government has provided for capital assistance since the outbreak in Korea to stimulate the production of military aircraft will in the long run indirectly assist in the production of civilian types.