

CANADA'S AIR POLICY

given to the military potential of aircraft than to the civilian possibilities. This was certainly the case in Canada, where first the Air Board in 1919 and then the Department of National Defence in 1922 were given control of both civilian and military aviation. That decision, I suppose, was a natural one in view of the fame acquired in the Great War by Canadian aviators and of the achievements of Canadian aircraft plants in the production of military and training aircraft. Names like Bishop, Barker, Collishaw, MacLaren, McLeod and others continue to inspire the admiration of Canadians for their daring exploits, and justly so. But I think it is to be regretted that the remarkable achievements in aircraft production by Canadian firms during the same war seem to have been largely forgotten.

And these achievements were remarkable too. I have learned, for example, that in the short space of eighteen months over 3,000 trainer aircraft were produced by a Toronto plant mainly for the use of the United Kingdom. I also learned that several dozen flying-boats, with wing-spans as large as World War Two bombers, were produced for the United States Government....

CIVILIAN PRODUCTION

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.

There is also a relationship between the military and civilian operation of aircraft....

An excellent example... is the participation in the Korean air lift of aircraft of both the RCAF and Canadian Pacific Airlines....

Canada is now playing a major part in both civilian and military aircraft production as well. During the last war Canadian plants were devoted largely to producing aircraft designed by other nations. To some extent they are still producing aircraft of foreign design, although often with Canadian modifications. But now they are also designing and producing distinctively Canadian aircraft, both civil and military.

In military production the Canadian-built F86 "Sabre" jet, with which our air division in Europe is equipped, forms the main line of defence from attack across the Iron Curtain. The completely Canadian development through all stages of the powerful all-weather fighter, the CF-100, and of the "Orenda" jet engine are achievements of which the Canadian industry can be proud. And we are also producing jet-training planes, the T33 without which we would have no pilots to fly our fighters.

While unfortunately, due to the "cold war", we have been forced to concentrate on military production, Canada's record of production of civilian aircraft is a commendable one. We were the first nation on this continent to design and produce a jet-liner; unfortunately its further development had to be arrested by the requirements of military production after the outbreak of war in Korea. It was our aircraft industry which successfully wedded a British-type engine with an American-designed air-frame to produce the "North Star", a craft which has given splendid service not only to the RCAF and the Canadian airlines but also the British Overseas Airways Corporation. And of course, I must not fail to mention those hard-working aircraft, the "Otter" and the "Beaver", which have earned a popularity far beyond our borders....

SERVICES TO AVIATION

On the commercial side, for many years the Department of Transport has been providing such services as radio ranges, the construction and improvement of airfields and runways, meteorological reports, the licensing of pilots and other regulatory functions. In fact, the Government has over half a billion dollars invested in facilities of this nature. In addition, it has been making grants of \$100 to flying clubs and schools for each graduate student in order to increase the number of Canadians who hold private licences....

In the regulation of the commercial air services, the Government has tried to follow the policy which would be in the best interests of the nation and of the industry. After the last war as you know, the number of commercial operators mushroomed and the Government attempted to bring about conditions where each operator would have an opportunity to get established, unhampered by chaotic conditions arising out of unregulated competition.

But I will assure you that the Government does not necessarily intend to guarantee every operator a permanent monopoly in his area. We do wish to avoid the situation which existed in our railway-building era, when companies were permitted to construct lines in a territory served by rivals when there was not even sufficient traffic to sustain one line. Perhaps the classic example of this kind of folly was the construction of three rival parallel lines between Montreal and Toronto at a time when there was sufficient business for only one....