

IMPORT Permits—Just before adjourning for Christmas, Parliament gave second reading to a bill outlining the Emergency Exchange Conservation Act—which sets forth regulations governing the import of goods from the United States. This bill will receive its third reading when Parliament meets again in January and will become law upon a date to be set by proclamation. Reconstruction Minister C. D. Howe has indicated that the effective date will be sometime around Feb. 1.

The Act lists **three schedules** of goods to be covered by import restrictions. **Schedule 1** is the prohibited list; goods for which no import permits will be issued unless exceptional hardship is involved. Aircraft and parts are not mentioned in this schedule. **Schedule 2** deals with commodities which may be imported in accordance with quotas decided upon by the Dominion Government. The only aeronautical product included in Schedule 2 is aircraft fabric. Aircraft and parts are dealt with thoroughly in **Schedule 3**, a list of goods which may be imported under individual permits granted by the appropriate Minister—in this case Mr. Howe.

As far as the aviation industry is concerned, the important point about Schedule 3 is that **permits will be required for complete aircraft and all components used in manufacturing processes**. Parts used in repair and maintenance, however, may be brought in just as before. This clause does not include **aircraft engines which are importable by permit only**, regardless of the purpose they are called upon to serve. It should be noted that until the Act is officially proclaimed in February, aircraft and parts may still be imported under General Blanket Permit FEC 100.

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IT HAS been brought to our attention that last month's special report from Ottawa contained an incorrect statement on the subject of importing used aircraft from the U. S. In the report it was stated the Government could, under certain conditions, permit the importation of used aircraft by Order-in-Council. The truth of the matter is that the Government's authority to do this died with the expiration of the War Measures Act on March 31, 1947. Certain features of the War Measures Act were carried over into the Emergency Transitional Powers Act, but the clause regarding used aircraft was not extended.

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ACCORDING to Air Transport Board statistics, 1947 brought a



notable expansion of scheduled and charter air services throughout Canada. Yet the year was anything but a good one for commercial operators, most of whom lost money. The Board has compiled over-all figures covering airline operations in the first six months of 1947 and the picture painted is far from encouraging.

In each of the first six months, scheduled operators were in the red. The nonscheduled operators showed a profit in one month only: June. The total loss registered by combined Canadian airlines in the half-year period: \$171,000.

After looking at these unhealthy figures the Board has postponed all consideration of new applications until April 1, 1948, pending a critical study of the air transport industry. Meantime the Air Industries and Transport Association, also vitally concerned with the aviation balance sheet, is studying two of the major cost factors in commercial flying: (1) operating charges at D.O.T. airports; (2) insurance.

DISCUSSIONS of airport fees and extra charges for aviation fuels were held in Ottawa at the request of U. S. airlines operating into Canada. On hand were representatives of the D.O.T., ATB and AITA, with Brig. General Milton Arnold representing the U. S. Air Transport Association. The Canadian method of assessing landing fees came under fire and General Arnold asked for consideration of the American system which fixes landing fees on a "sliding scale" and takes into account the facilities avail-

able at each individual airport. The Air Industries and Transport Association, realizing that D.O.T. is hard pressed to close the gap between revenue and operating costs at government airports, made the following submissions:

(a) It is unreasonable to expect civil aviation to bear the full operating cost of D.O.T. airports. In view of the potential military value of these installations, a portion of the upkeep cost should be chargeable to national defense.

(b) Other government departments (customs, post office, immigration) should be charged for the facilities used by them at the airports.

(c) Efforts should be made to develop revenue from concessions such as restaurants, automats, rest rooms, etc.

The AITA also takes a stand against the oft-repeated claim that Canada needs more airports, especially since paying for existing facilities is taxing commercial operators to the limit. W. B. "Bill" Burchall, executive secretary for AITA, has put together some interesting figures which show that while there are only 83 cities in Canada with a population of over 10,000, there are 310 licensed airports (93 permanent and 217 temporary). And, as a glance at any airport map will reveal, the area coverage is good.

Mr. Burchall's conclusion: **Canada does not need more airports of the type it now has but we could use more small, inexpensive airstrips, air harbors and community landing fields.**

In Toronto a meeting of AITA Insurance Underwriters' Committee was attended by a representative operator and a chief flying instructor. The delegates studied D.O.T.'s analysis of accident reports and recommended stricter control at flying schools as one means of reducing accidents. It is now widely felt throughout the industry that the high cost of aviation insurance has a definite retarding effect on the development of civil flying, and only through a substantial lowering of the accident rate can premiums be brought down to a reasonable limit.

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ON THE subject of insurance it is interesting to note that the Royal Canadian Flying Clubs Association has recently signed an agreement with a Lloyds syndicate under which all member clubs may receive standard and adequate coverage on aircraft hull risk. The coverage includes crash, public liability and passenger risk. At this writing the required 80% of the clubs have signed up.