

editorial

Economy Still Prime Factor In Decision to Kill Arrow

Prime Minister Diefenbaker's announcement that the Avro Arrow program is to be discontinued is a severe blow to the aviation industry in Canada. The effects will not be confined to the economy, but will register themselves in a considerable loss of prestige for Canadian plane makers.

The prime factors influencing any decisions in relation to the project do not appear to have changed appreciably since the September announcement which raised the CF-105 controversy.

There has not been any general relaxing of the international tensions which predicate existence of a strong, well equipped defense force "in being." By the same token there have been no new emergency situations which would dictate a step-up in defense activity.

One aspect of the problem facing the Cabinet has been considerably clarified since last fall. The Government can now

be in little doubt as to the need for at least another generation of manned interceptors in the defense arsenal.

In the United States there has been a re-emphasis on the need for production of further manned aircraft as evidenced by the letting of contracts in connection with development of the F-108 manned interceptor weapons system and the B-70 chemical bomber.

No one questions the serious drain on national revenue which a policy defense "in being" necessitates. It would be pleasant indeed if security came at bargain prices.

But as things now stand, our air force must re-equip with an advanced interceptor if we are to maintain our position of responsibility in the North American Air Defense system. It is in the best interest of our general economy that this need be filled by our own industry.

Implementing a New Policy

The Air Transport Board has an early opportunity to define the practical application of proposed new policy with respect to extension of traffic rights for regional carriers in the application of Pacific Western Airlines to serve Vancouver-Victoria-Seattle.

PWA has based its application on the assumption that Trans-Canada Air Lines is prepared to withdraw from serving passengers whose journey is limited to the tri-city orbit. So far, Trans-Canada has given no official indication that it con-

templates such a move.

The Vancouver-Victoria-Seattle area appears particularly suited for implementation of the type of limited competition for available traffic which the board indicated it would consider in its report to the Minister of Transport on Trans-Continental Air Services.

Trans-Canada's move toward an all-turbine fleet puts PWA in a much sounder position from a fleet and economy of operation point of view for serving the short haul routes involved.