

Editorial

DOLLARS FOR DEFENCE

That there will be no slacking off in Government spending for air defence is indicated by the Estimates for 1958-59, tabled recently in Commons. In fact, monies being allotted for RCAF purposes show an increase of from \$845 million in 1957-58, to \$870 million in the new Estimates.

At the same time, total defence spending will drop very slightly, about \$7 million, to \$1,630 million. Thus, air defence's share of the total defence budget is actually larger than last year, having risen to 53% from 51%.

Misleading: Some analyses of defence spending which appeared in the daily press at the time the Estimates were tabled would lead one to believe that these increases are more apparent than real, being in fact accounted for mainly by rising pay and allowances for members of the RCAF, and similarly increasing salaries and wages for civil employees of the Air Force, these numbering approximately 15,000.

While it is true that there have been substantial increases in this area (RCAF pay and allowances from \$171 million to \$190 million; civil salaries and wages from \$45.8 million to \$48.6 million), these have been largely offset by a number of small reductions in a variety of administrative costs, plus a slash in the allotment for building construction from \$58 million down to \$39 million.

So far as Canada's Aircraft Industry is concerned, there is a very real increase in the amount of money that the Government plans to spend. The items in which aircraft and ancillary firms are most interested (e.g., procurement of aircraft and engines, armament equipment, signal and wireless equipment, and repair and upkeep of equipment), account for some 46% of the spending planned for air defence purposes in the current fiscal year, as compared to 43% in the preceding period. These percentages should be considered in relation to the actual increase in total air defence spending mentioned in the first paragraph.

Breakdown: Here are a few of the items of Government spending which are of particular interest to the Aircraft and affiliated industries. In effect, they constitute the Aircraft Industry's main *raison d'être*.

Procurement of:	1958-59	1957-58
Aircraft & Engines	\$246,929,000	\$215,603,000
Armament Equipment	2,323,000	2,226,000
Signal & Wireless Equip.	17,340,000	18,726,000
Special Training Equip.	5,519,000	6,879,000
Misc. Technical Equip.	6,619,000	7,990,000
Repairs & Upkeep of Equip.	122,133,000	118,256,000
	\$400,863,000	\$369,680,000

It will be noted that procurement of aircraft and engines, and repair and upkeep of equipment, the two principal areas of interest to the Aircraft Industry, will account for over \$369 million 1958-59 versus about \$334 million in 1957-58. According to Ottawa reports, the Arrow Weapon System alone will require the spending of \$175 million the current fiscal year.

It would seem that there is only one interpretation that can be placed on these figures: Canada's Aircraft Industry can in general look forward to a busy year.

TOSSING BRICKS

General Guy Simonds appears to be carving out a niche for himself as the Nathan Cohen of defence policy. No matter what, he's agin it. For those who haven't heard, Gen. Simonds has been sounding off against the Arrow. Because of his distinguished military career and his undoubted sincerity, Gen. Simonds' opinions carry a lot of weight. Nevertheless, as Air Marshal W. A. Curtis says . . . "if you follow this sort of reasoning to its illogical conclusion, we would never produce anything. We would postpone making anything because something better will be coming along." Gen. Simonds, who is president of the Toronto Brick Co., would be better occupied selling the bricks he makes, instead of throwing them.