

Editorial

THEN AND NOW

Though the Canadian Government has not been overly successful in its efforts to balance out Canadian exports and imports, it has achieved real results in dramatically boosting the outflow of at least one important commodity: technical brainpower.

In this regard, it is revealing to compare the newly published edition of the Canadian Aeronautical Institute's List of Members — the first since the cancellation of the Arrow program, with the 1958 edition—the last before the cancellation. In 1958, CAI had a membership of 2234, of which 5% were residents of countries other than Canada. In 1960, CAI membership has slipped to 2068, with over 14% living abroad. Membership living in the U.S. and the U.K. has increased from 121 in 1958 to 305 at present (plus those who have left Canada and allowed their CAI memberships to lapse).

MONOPOLY

Transport Minister Hees is constantly singing the praises of free enterprise and tabulating the evils of monopoly, so we're sure he won't mind if we suggest that he take a close look at the practices of some of the monopoly businesses that are being conducted right in his own back yard with the assistance and encouragement of his own Department.

We refer to the air terminal transport companies which enjoy DoT granted monopolies on ground transportation services at many of Canada's major airports. We think that it would be found that where an arriving passenger is continuing by ground transport to some point not served by the usual terminal transport buses, he is grossly overcharged. For example, a taxi ride from a small town near Malton comes to \$3.50 on the meter; the same ride in an air-terminal transport vehicle, from the airport (where taxis are not allowed to pick up passengers), costs a flat \$5.00. There is no reason to believe this is an isolated case.

Anyone for monopoly?

A PRODUCTIVE INVESTMENT

The Diefenbaker Government, which seems to regard aviation as an over-indulged child which must be firmly put in its place, should find some food for thought in the report on the tobogganing export trade of Canada's Aircraft Industry which appears elsewhere in this issue of AIRCRAFT.

The figures revealed in this report take on a special significance when considered in relation to the overall Canadian export/import picture.

Go It Alone: Since the present Government came to power, it has gradually adopted a policy of non-participation in development projects in the aeronautical field. Today there are no new major development programs (either airframe or engine) under way in which the Government is supplying support in any substantial way.

The Canadian Aircraft Industry's best export year was 1958, when over \$100 million worth of Canadian-made aeronautical products went to foreign buyers. The dividends to Canada stemming from such aviation export deals are difficult to calculate, but are nevertheless very real. On the subject of the benefits of developing and building our own aircraft, Group Captain H. R. Footitt, writing in AIRCRAFT in March, 1957, explained that . . . "To determine exactly where we stand is a most torturous task . . . We must figure on the corporation taxes and the individual income taxes . . . We must calculate the impact of the aircraft worker's pay envelope on the Canadian economy. His dollars pay hidden taxes on food and drink. He supports the local car dealer, the butcher and the baker. And each in turn pays taxes which roll back into the Government . . ."

If the Government didn't previously have any first hand examples of the dividends that can come from made-in-Canada aviation products, it certainly has a couple of impressive ones staring it in the face now. There is, for instance, the recently concluded deal whereby West Germany and The Netherlands will buy Starfighter simulators worth approximately \$18 million from Canadian Aviation Electronics Ltd., and additional orders from other Starfighter-using countries are a possibility. The contract was made possible in the first instance because CAE was already working on a CF-104 simulator for the RCAF. The Government could probably have bought such simulators in the U.S.; but it didn't, and now an \$18 million order has come to a Canadian firm.

On-Again-Off-Again: Then there is the case of the on-again-off-again swap of CL-44's for F-101's. As the Canadian end of the deal, Canadair would get an order for \$150 million worth of CL-44's for the USAF. Whether or not the deal goes through, it is clear evidence of the export potential of Canadian-built aviation products. Need we point out that the CL-44 got its start with RCAF sponsorship; need we point out that the Otter and the Caribou (both export items), though essentially private ventures, received key financial support (really loans) from the Government during their early stages of conception.

We are *not* suggesting any handouts; we *are* suggesting more Government sponsorship. The past record of the Aircraft Industry clearly shows that such sponsorship is a productive investment paying high dividends to the country. What's good for the Aircraft Industry is good for Canada.