

*Now that the Avro 'Arrow' interceptor and the Orenda 'Iroquois' turbojet programs are cancelled . . . .*

## Where do we go from here?

by Arnold Warren

Here, of course, means where the Canadian aircraft industry finds itself with these two major programs cancelled, affecting an estimated 650 main subcontractors and suppliers and a couple of thousand smaller ones.

Before we can decide where we are going, we must take stock of the situation where we are.

We have two major constructor companies, one marketing a very successful family of smaller aircraft in Canada and around the world. The other has orders, we understand, to keep the plant going until about the end of 1960, although with a diminishing payroll, and has several major projects in hand which could meet with outstanding success.

We have a great, sprawling network of subcontractors and suppliers whose domestic market has, to put it mildly, been sharply curtailed by the 'Arrow' cancellation.

We have standing idle a large aircraft plant and a large engine plant, both well equipped with the most modern tools and facilities.

Other important elements of Canada's aircraft industries, such as maintenance and overhaul contractors, do not appear to be so intimately involved in the present situation.

### Getting work for subcontractors

The two major constructor companies continue to provide a market for the subcontractors and suppliers, but this market existed before the 'Arrow' cancellation. Therefore, the subcontractors and suppliers have idle facilities which should be put back to work. How?

Mr. O'Hurley, Minister of Defense Production, spoke of this. His government has no plans for the industry, of course, but it appears to be willing to see the industry survive if it can do so on its own. Mr. O'Hurley says, in effect that, while there is no specific agreement with the United States, a general agreement in principle makes it possible for Canadian companies to compete in the open market for American defense contracts.

So be it! Canadian companies before have been able to meet American competition on quality, delivery and price, and they can do it again — so long as they are not bucking a protected or subsidized industry. U.S. inspection teams have been visiting Canadian plants and have reported very favorably on them. Now, the job of selling their products and services in the United States is strictly up to the industry. We refer interested companies to the January issue of 'Canadian Aircraft Industries' which contains much useful information on how to apply for, obtain, and handle U.S. defense contracts.

### We must have long range planning

The large, empty plants are a grim reminder that, as we have said before, no national aircraft industry can survive without firm, long range planning at the national level — planning which will lay down the

nation's requirements for aircraft and associated equipment in the form of firm, sustaining orders to the nation's aircraft industries. These sustaining orders provide a foundation upon which the industry can build the commercial business which is so essential to industrial stability and so important to the nation's economic health.

What are the nation's requirements for aircraft? Here is a partial survey — as we see it:

After the 'Arrow' cancellation, the physical problem of defense remains. Neither Mr. Diefenbaker nor Mr. Pearkes can seriously believe that the 'Bomarc' is the answer and, in spite of what these gentlemen profess to believe about the manned interceptor, the fact remains that neither NORAD (which includes Canada), nor the Americans believe it to be obsolete. Therefore, as we have said before, there will be interceptors defending our northern approaches, because these are also American northern approaches. If we don't put them there, the Americans will. They must. Who is going to build these interceptors and their engines?

The RCAF Air Division in Europe has to be re-equipped with fighter aircraft. Who is going to build them?

The RCAF will have increasing requirements for jet transports. Who is going to build them?

TCA will be laying down its requirements beyond the 'Viscounts' and 'Vanguards', in view of the lead time required on modern aircraft.

The same applies to CPA and other Canadian airlines. There can be little doubt that these aircraft will be powered by turbojets. Who is going to build the aircraft, their engines and ancillary equipment?

The nation's aircraft requirements seem sufficient to provide all the sustaining orders our aircraft industry could need upon which to build a strong, healthy business. Once again, it requires only long range planning — and we find it hard to imagine any national planning which would be more nationally rewarding.

### Creating an informed public opinion

A thought in closing: The Diefenbaker government has been able to sell out the Canadian aircraft industries, and the economic and political interests of Canada as a nation, because the Canadian people have not been intelligently informed regarding the issues. Had the people been intelligently informed, the repeated misstatements about the 'Arrow', missiles, and the problem of defense in general, would not have been believed, and the whole thing would have been foiled by the normal functioning of democratic processes.

As we have said before, creating an intelligently informed public opinion is a job for the aircraft industries. They cannot delegate it to anyone. A committee on Public Relations exists within the Air Industries and Transport Association. Let it be instructed, and enabled to carry out this vital task — now.