

SEP 7 - 1939

MANUFACTURE OF AEROPLANES IN CANADA WILL BE SPURRED

Sharp Expansion Ex- pected Through Roose- velt Proclamation

INVOLVE LOCAL FIRM

New York, Sept. 7. — (CP) —A sharp expansion in Canadian aeroplane manufacture is expected as a result of President Roosevelt's proclamation of the United States Neutrality act, the New York Herald Tribune says to-day in a dispatch from its Washington bureau.

Out Order in Half

The neutrality proclamation has cut off for the time being at least the delivery of nearly half of the 600 war planes ordered in the United States by France, Great Britain and Australia.

"The embargo proclamation, however, does not interfere with the manufacture of similar planes in Canada under licenses already obtained by the Dominion's manufacturers from American firms," the dispatch says.

According to information available in Washington, four Canadian aircraft manufacturers have arrangements with United States firms to produce planes of American design in the Dominion. Some of the other six manufacturers in Canada may have such arrangements, the paper suggests.

The dispatch continues:

"A survey of the Canadian aeroplane manufacturing industry and its licensing connections insofar as they are known to officials here disclosed that there are 11 plants in the Dominion.

Hamilton Firm Included

"Of these, Canadian Vickers, Ltd., of Montreal, appeared to offer an important substitute outlet for one of the more important of the foreign orders, since it is licensed by the Northrop division of the Douglas Aircraft Co. to manufacture the Northrop Delta planes. Fairchild Aircraft, Ltd., of Montreal, which makes Fairchild seaplanes and monoplanes, also holds Canadian distributing rights for the Lockheed Aircraft Corp.

"Other Canadian plants definitely known to have arrangements with United States manufacturers include the Canadian Car and Foundry company, limited, of Montreal, and the Cub Aircraft Corporation, Ltd., of Hamilton, Ont., both licensed to build American Piper Cub planes."

Deliver in United States

It has been indicated that the United States factories plan to continue assembling of the approximately 300 planes still to be delivered under the contracts with the British, French and Australian governments.

When contracts for the planes were signed the possibility of war and a United States embargo balking their delivery was foreseen.

The contracts specified that in the event of war the planes could be delivered to the British and other governments in the United States.

A representative of one of the plane plants said to-day that work on the orders was continuing. The finished aircraft, he said, probably would be stored in New York or some other port in the hope the United States embargo will be revoked at an early date and delivery proceed.

Three plants on the United States west coast were known to be manufacturing the planes for foreign delivery. They are the Douglas, Lockheed and North American Aircraft. Others in the east also are known to have been working on the orders.

May Enlarge Plants

Current interpretation of the Neutrality act is that it does not prohibit United States manufacturers from establishing plants in Canada for the supplying of European markets. It is assumed, too, that United States capital might be used to enlarge existing Canadian plants.

It is not known officially whether the Neutrality act would prohibit the dismantling of American plants and their shipment to Canada for reassembling there.

However, as an official of one large aeroplane manufacturing company pointed out to-day, "that would be a very expensive proposition, and a needless one in the event that the embargo provision of the Neutrality act is revoked."

028-030-022

Handwritten notes:
#179
West
European
1939
Canadian
airplane