

NEWS SERVICE

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AIRCRAFT INDUSTRY PLANNED FOR GIMLI

Possibility of establishing an air industry at the Gimli air base is being actively explored by Saunders Aircraft Corporation Limited.

Industry and Commerce Minister Leonard Evans and David Saunders, president of Saunders Aircraft Corporation Limited of Montreal, announced jointly that plans are being completed for an industry to develop an aircraft for use by local and regional carriers in Canada, the United States and Europe.

This Canadian firm has developed a two-engined, 24-passenger plane with a short take-off and landing capability known as the Saunders ST 27. It is powered by two United Aircraft of Canada PT 6-27 turbo-prop engines.

The Saunders ST 27 is designed for short-haul trips -- in the order of up to 300 miles -- for commuter service between cities and for connecting routes with long-haul commercial carriers.

The aircraft has been certified by the Air Registration Board in Britain and the firm is awaiting Department of Transport certification for Canadian use. This D.O.T. validation, Mr. Saunders said, will be forthcoming shortly. Application also has been made to the FAA (Federal Aeronautics Authority) in the United States for certification. This is expected by the year-end.

Mr. Evans said Saunders Aircraft officials had been negotiating with the Manitoba government since April on the project. Discussions have been held with federal authorities concerning use of hangar space at Gimli for the industry, and the proposals have been "well-received".

If long-term leasing arrangements for space at Gimli are completed, the firm is prepared to proceed immediately with the aircraft manufacturing plant, Mr. Saunders stated.

Start-up employment at the proposed 40,000-square-foot plant would be 100. If expansion plans work out, and more space becomes available, employment would reach 800 to 1,000 in the third year of operation.

Production is expected to start with six planes a year and build up to 30 annually, with 95 per cent of production going to the U.S. and European markets.

Mr. Saunders said sales of the craft already had been made with some Canadian and U.S. carriers, subject to formal certification.

Mr. Evans said the plan of Saunders Aircraft to locate at Gimli would give "welcome hope" to a district threatened by the closure of Canadian Forces Base Gimli and would give impetus to Manitoba's growing air industry.

"We recognize there are still some hurdles, but we are impressed with the sincerity of the company to proceed, and with the active arrangements and investment they have made toward the creation of such an industry here."