

*Labour Crisis in Aircraft Industry*

\$345 million, with support spares and equipment amounting to \$98.4 million, with missiles amounting to \$42.6 million and the completion of the development of some 20 aircraft of which they expected eight would be operational amounting to another \$295 million, making a grand total of \$781 million for 100 aircraft.

That was a large figure and it was suggested that it would compare favourably with the CF-100. In a statement made by Mr. Crawford Gordon which appeared in the *Toronto Globe and Mail* he stated that this would compare with the cost of the CF-100 during production in the mid-50's. For the year 1955 the cost of production of that was \$93 million whereas the estimated cost for producing the CF-105 with the cost of development, in 1959 was \$160 million, and in 1960-61 was \$242 million.

While I am on the question of cost perhaps hon. members would be interested in hearing exactly what has been spent on this aircraft up till now. In 1953-54, \$1,067,399 was spent; in 1954-55 nearly \$17 million; in 1955-56 this figure had more than doubled to \$38 million; in 1956-57 the expenditures reached \$65 million. In 1957-58 there was an additional expenditure of a further \$115 million, and with the expenditure of \$106 million in this fiscal year we have a total of actual expenditure, to the 31st January, 1959 of some \$341 million dollars. Hon. members will see that the cost had been increasing each year.

The hon. member for Trinity made some reference to the Bomarc. It is difficult to give precise figures of the ranges of the Bomarc without disclosing classified information on a weapon which has been developed by the United States.

**The Acting Speaker (Mr. Rea):** Order. I am sorry to interrupt the minister but his time has expired. Has the minister the unanimous consent of the house to continue?

**Some hon. Members:** Agreed.

**Mr. Pearkes:** I can only say that the ranges are comparable with the ranges of the CF-105. I must add that with the introduction of the Hughes-Falcon system we have been advised by the company that additional fuel tanks can be added which would give an increased range to the CF-105, with the Hughes-Falcon combination, and the additional fuel tanks, up to 354 miles supersonic and a subsonic range of 506 nautical miles.

The speed of the Bomarc is in excess of the speed of the CF-105 and the height that it can reach is higher than that which can be reached by the CF-105. The cost of the two

[Mr. Pearkes.]

Bomarc stations which have been now approved, although the final location of one of those has not yet been settled, will be a total of \$110.8 million, of which, according to the over-all agreement which has been reached with the United States, the United States will pay at least two-thirds.

I might add here that it is not going to be a question merely of digging holes for the Bomarc to go in, as was suggested by the hon. member. All construction work and all unit equipment will be paid for by Canada and will be bought in its entirety in Canada. This applies also to the further development of the Pinetree line, the introduction of Sage and also of the gap fillers. It is possible for an enemy bomber to get under the range of a Bomarc; it is possible for a bomber to come under the coverage of the radar and we are introducing a large number of gap fillers so as to make that impossible, they will be located to take care of the enemy bomber if it comes down so low as to avoid the arc of the major radar stations.

We have also an agreement with the United States that they will as far as possible, in a fair and reasonable way, place as many of their orders for the technical equipment, for which they are paying entirely, that is, their two-thirds of the over-all figure, with Canadian firms.

If there is to be any comparison between the manned interceptor and the Bomarc I think one can sum it up by saying that the manned interceptor would have more flexibility while the missile has a greater height and greater speed for engaging a target.

While I have indicated the extent of the cost of those two Bomarc stations as \$110.8 million, to be shared on the basis of one-third to Canada and two-thirds to the United States, I think hon. members must compare that with the \$781 million which Canada would have to pay if she had gone on with the CF-105. It has been felt that if we proceeded with the development of the CF-105 we should be paying a very high percentage of our defence budget into a weapon which was to meet a threat which was diminishing and which would only be a threat for a year or two after the CF-105 had gone into action.

We must take into consideration, not only the large sums of money which we have to spend on the defence of North America but also the fact that we are also in the NATO alliance and we have to keep up our commitments and other commitments in that respect. Even as far as the North American continent is concerned, we are faced with