

HOUSE OF COMMONS

Friday, March 23, 1962

The house met at 11 a.m.

DEFENCE PRODUCTION

CF-104—REPORTED DELAY IN ACQUISITION
AND COST INCREASE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to address a question to the Associate Minister of National Defence. In view of the fact that there was a defence estimate earlier this week, at which time the information could have been given to the house but was not, may I ask the minister whether he can confirm information given outside the house to the press to the effect that the acquisition of the CF-104 has been delayed five months and its cost will be increased by \$30 million.

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I believe that this question should be asked of the Minister of Defence Production.

Hon. Raymond O'Hurley (Minister of Defence Production): I wish to advise the house that according to information received this morning from officials of the departments of national defence and defence production, production of the CF-104 interceptor aircraft is on schedule. We were supposed to have 80 planes delivered from the assembly line by the end of March. We shall have 84, so we are on schedule.

I wish to state also that officials of the Department of Defence Production have just advised me that the cost of the program to date is well within the estimate which was originally approved, namely, \$420 million, plus \$11.3 million for an additional eight dual trainers not included in the original program. I might explain that we are well within our estimate because the engine costs are below what was anticipated.

Mr. Pearson: In view of the minister's statement, will he be able to explain the statement of his colleague the Minister of National Defence that these planes will not be delivered to the squadrons in Europe until next year?

Mr. O'Hurley: I shall be pleased to answer that question. As I said, production is on schedule. The officials of the Department of Defence Production advised me this morning that the weather for testing these planes has

been very bad for the last several months. However, 76 of these planes are now to be test flown. That is the report I received yesterday morning. The delay has been caused by bad weather conditions making it difficult to test these machines.

Mr. Pearson: May I ask a further supplementary question. Would the minister now comment on the statement made in this house on September 15 last by the Minister of National Defence that the first squadron would be delivered overseas in November of this year?

Mr. O'Hurley: At the time the Minister of National Defence made that statement it was a correct assumption, but neither he nor anyone else anticipated there would be this very bad weather, unsuitable for the testing of the planes. That is the reason there has been this delay, and it can be verified by officials of the Department of National Defence.

Mr. Pearson: All due to the weather.

Mr. Hees: Shot down again.

Mr. Pearson: Five months of bad weather.

Mr. Hees: Ask another question.

An hon. Member: How about one from Paul?

Mr. Martin (Essex East): You would get a very interesting one.

Mr. Speaker: When the debate is over the hon. member for Vancouver East has a question to ask.

UNEMPLOYMENT INSURANCE

REPORTED DEFAUDING OF FUND THROUGH
COLLUSION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): With all the dignified indignation at my command I should like to direct a very pertinent and important question to the Minister of Labour. Has the minister noted the front page story in the Vancouver *Sun* under date of Wednesday, March 21, in which Mr. G. A. L. Murchison, head of Canada's unemployment insurance commission, is reported to have stated in Vancouver—my home city—that employers and workers were “conspiring to defraud the fund of millions of dollars every year” and warning that “contributions will have to be raised if the fraudulent practice is not stamped out”?