

*War Appropriation Bill*

in taking away that contract from Federal and giving it to the industry. The industry say, "Yes, we think we can do better." We ask, "On what do you base your opinion?" They reply, "Well, we just think it would be better, that is all." They give no basis whatever for their belief. Then we ask, "When can you give us a plane?" Their reply is, "Well, we don't know, but it depends on a lot of things." Well, so it does, but at least in connection with Federal we know on what it depends; we know the situation; we know what we can do. We have had an expert look at it, and certainly he did not recommend upsetting Federal. Nor did our own men, who were charged with the duty of investigating the matter, recommend that the contract be taken away from Federal. Certainly I would have acted on very slender information if at that time I had proceeded, on the opinion of five firms, all subcontractors of Federal, to suspend Federal and put ourselves in the hands of these subcontractors. In conclusion they say:

In closing we would like to say that we have no interest or preference in this matter other than to see the work in which we are engaged progressing as satisfactorily and as rapidly as possible, and that whatever your decision may be you will find our companies ready as always to cooperate to the maximum of our ability.

That is a very fair statement.

Mr. MacNICOL: Did they not recommend that de Havilland alone prepare the designs, arrange the necessary set-up and everything else that had to be arranged in regard to production, at the de Havilland plant; and that after an investigation by a real manufacturer, by de Havilland, the work should be distributed among all the firms in order that they might manufacture by mass production?

Mr. HOWE: Yes, the suggestion was that de Havilland replace Federal as the main contractor, for whom the others are subcontractors. Then de Havilland would become its own subcontractor; that is, it would occupy a dual position. It would be the general contractor, because the proposal was that Federal, which was the main contractor, should be wiped out, and that de Havilland should take over that work and distribute the subcontracts among the industry.

Mr. MacNICOL: Is that not the very same method followed at Fort William, where apparently very fine work is being done? I understand that all the investigations are made at this plant, and that the other plants—they may be branches of the same company scattered across Canada—send their master mechanics to Fort William to see just what

[Mr. Howe.]

has been developed there, and to obtain the jigs, the plans and whatever else is required, and then return to their own plants. Is that not why production is going so very satisfactorily in connection with the Hurricanes being turned out by the company?

Mr. HOWE: Of course every plant making finished aeroplanes contracts out certain of its business. I think in Fort William they contract out the wings and probably many other parts. I should say, however, that at Fort William they manufacture seventy-five per cent of the plane in their own plant.

Mr. MacNICOL: And the set-up in that plant is followed in all others?

Mr. HOWE: Yes. That is the case also with Fleet and de Havilland, to a small degree; they contract out parts of their planes. Every contractor does. I suppose there must be easily two or three hundred plants in Canada making aeroplane parts.

Mr. MacNICOL: I believe there are some twenty thousand parts to each plane.

Mr. HOWE: Yes. I do not consider it any reflection on the contractors if we do not accept their views. Why should we? I have had contractors come to me before this and say they think something should be done differently. I look into it, but I am not bound to take their opinion. If I am the man in charge of the job I have to make my own decision, and I made it in this case. We decided to carry on Federal. After exhaustive investigation and a very thorough study of the possibilities of Federal we decided what could be done there by way of revamping the organization, and we decided that we could get better results with Federal than we could by dropping Federal at that stage of the proceedings and turning over the whole matter to de Havilland. That was a decision I had to make, and for better or worse I made it. I do not think any argument in this house is going to decide whether it was for better or worse. Perhaps we will know before the end of this calendar year.

Mr. ADAMSON: That was the view taken by the minister and the experts in his department?

Mr. HOWE: It was the view taken by me. I have to decide. Let us not analyse the department to see who voted this way and who voted that way. I hope my hon. friend is not suggesting that.

Mr. ADAMSON: No.

Mr. HOWE: The three letters to which I referred are as follows: