

Mr. RALSTON: The company was formed two years ago.

Mr. HOWE: I shall give a history of the company presently.

National Steel Car. Manufacturing difficulties have been overcome. The order for 116 Lysanders should be completed by December 31, 1940.

The potential aircraft manufacturing capacity should be considered from various aspects:

(a) Wages are at the present time on the average lower than in the United States of America.

(b) Efficiency is considerably less than in the United States on large machines, such as bombers, and is somewhere near the United States on smaller planes, such as primary trainers. This is due to newer industry on small volume production.

(c) After the joint air training scheme and the Royal Canadian Air Force are stocked up, say the middle of 1941, the annual Canadian demand will drop to something like: primary trainers, 150; twin engine, 150; single engine trainers, 150; fighters (all types), 300 or less.

The Canadian aircraft building industry as at the present constituted far exceeded this market and the numerous existing units cannot live on the above prospective Canadian market.

(d) Canadian aircraft producing companies are naturally behind the United States of America companies in engineering and plant layout and management. The situation is analogous to the early days of the Canadian motor car industry and to other industries in Canada, whose domestic market is much smaller than the United States domestic market.

The new aircraft engineering ideas, the new production ideas are coming from the United States.

(e) The Bolingbroke bomber is consuming 60,000 man hours. Fairchild hope to get it under 40,000 man hours. A bomber, 50 per cent bigger, is budgeted at 20,000 man hours in the United States, and expectation is 16,000 man hours.

(f) The situation therefore is: Canada already has surplus aircraft production capacity but requires some planning to arrange to use it economically.

H. R. MacMillan,
Chairman.

That is everything in the report relating to aircraft. My hon. friend has put out a press release saying he understands that the MacMillan report recommends this and recommends that. The *Financial Post* is buying space in other newspapers to say that the MacMillan report recommends this and recommends that, and there has been a stack of editorials all across Canada stating that the MacMillan report recommends this and recommends that. Hon. gentlemen now have the MacMillan report. I am going to dwell on that aspect at more length presently.

I promised hon. members a complete report, and I will run over the various companies in order to give the position.

The Boeing Aircraft of Canada have had since the war programme started—

Mr. MacNICOL: Would the minister give the location of the company in each instance?

Mr. HOWE: Yes. Boeing Aircraft of Canada, Limited, is at Vancouver, B.C. Since the war started, they have had orders totalling \$9,276,000. They have delivered aircraft to a value of \$2,054,000, and they have orders outstanding totalling \$7,222,000.

Mr. HANSON (York-Sunbury): The minister is giving the information in terms of dollars and cents, but not the units.

Mr. HOWE: How would you like to have it?

Mr. HANSON (York-Sunbury): The units delivered.

Mr. HOWE: The first contract was for eleven Blackburn Sharks, built for the Canadian government. That contract has been completed. The eleven Sharks have been delivered. On March 14, 1938, they got a further order for six Sharks. That order has been completed. That makes seventeen. On August 13, 1940, they were given a contract for the partial manufacture and complete assembly of fifty-five P.B.Y. amphibian flying boats at an estimated cost of \$4,400,000. The P.B.Y. amphibian is one of the newest and largest types of war machines in use, and I can say on the basis of a special report made by an expert very recently that Boeing are well up to the production schedule which they undertook to carry out.

Mr. HANSON (York-Sunbury): Is the minister able to tell us how many units under this contract have been delivered? If he cannot, it is all right.

Mr. HOWE: I can tell you—none. The reason is that it takes anywhere up to eighteen months to get into production of that type of aircraft.

Mr. HANSON (York-Sunbury): Quite so.

Mr. HOWE: At the time the original contract was placed, the number of employees at Boeing was sixty-one, and the number at present employed is 825.

In addition to the contracts for complete planes, Boeing has been doing a great deal of work on components. It has been building spares, wings and ailerons, for the Anson programme, and that work is well ahead.

Canadian Associated Aircraft. This is a purely British company and we will assume that it had expert management—as contrasted with the indifferent management by the Department of Munitions and Supply. The original contract was for eighty Hampden planes. On November 16, 1938, two and a half years ago, the progress schedule was two