

Labour Crisis in Aircraft Industry

Mr. Argue: I say to the Minister of Public Works (Mr. Green) that the government should have continued the contract in so far as it was necessary and in those aspects necessary to provide employment for the people involved, and if in the opinion of the military experts advising the government it became necessary to discontinue this project it should have been done, in the words of the president of the company, in an orderly fashion.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, as has already been pointed out in this debate, this is the fiftieth anniversary of the birth of the Canadian aviation industry and we must all hope in this house that this is not the first day of its decline and disappearance. I think the subject which has been brought up by us justified the adjournment of the house for its discussion. The motion is related to the aviation industry in its terms but the Minister of National Defence (Mr. Pearkes), quite properly I think, had to discuss the motion, which concerns specifically the aviation industry and what is happening to it because of the action taken last Friday, in terms of air defence policy. In doing so he gave us more information on this matter than we have received since he became Minister of National Defence, and it is unfortunate that the kind of information we got this afternoon—whether we agreed with what he said or not—should have come only after the decision had been taken to cancel this contract.

When this statement was made by the Prime Minister (Mr. Diefenbaker) last Friday and when we were told that the long awaited statement by the Minister of Defence Production (Mr. O'Hurley) would be made to us today, I think most of us felt that the statement on defence production and its integration with the United States program would have to explain at least the decision taken on Friday to cancel the Arrow contract. However, as the leader of the C.C.F. group has pointed out, it certainly gave no such explanation or no such background as would help us to understand why this decision should have been taken so suddenly. What we are all asking ourselves now is: where do we go from here in this matter so important to our defence, so important to the industrial economy of this country and so important in the light of our relations with the United States. It has been our major indictment of the government since the day this session began that it was guilty of fumbling, confusion and delay in its policies, and guilty of failure to plan ahead. There could surely not be any better example of this than the situation which now confronts us.

[Mr. Green.]

Hon. gentlemen opposite have been pleased from time to time in recent weeks to jeer at us in the official opposition because when the occasion seemed to require it we have spoken in favour and voted in favour of economic planning. There never was a time when economic planning was more justified and more absent than in connection with this particular business we are discussing today.

The minister gave us in some detail the background of this situation fortified with all the records that he has at his disposal and I have no quarrel with what he said in that regard. I feel that he put the background quite fairly in so far as I know anything about it, at least the background up to June of 1957, which is the only background about which I have any information. He pointed out quite rightly that the CF-105 was planned and developed as a result of a government decision at that time to have it take the place of the CF-100 in the light of conditions regarding defence as they were at that time.

I have been reading my back *Hansards* for those years and this matter has come up more than once in the house in the defence estimates of those years 1955, 1956 and 1957. There was an opportunity then for the opposition of that day to discuss and criticize this program and to ask questions about it, an opportunity of which they did not take any advantage at that time.

Mr. Churchill: That is not right as I shall demonstrate later today in my remarks, if you wish. I have been reading *Hansard*, too.

Mr. Pearson: I read the statements of the Prime Minister and of the Minister of National Defence who I thought would be the authorized critics in the opposition in regard to national defence at that time. Let me make it clear that I am not taking exception to what the minister said today about that background. It may very well be that conditions changed during the course of a year and a half or two years requiring some change in our defence policy but this government has been in office and in power for some 20 months now and in the light of some of the things the minister said this afternoon about the capacity or lack of capacity of this particular Arrow aircraft, and especially its radial action, I am amazed that if the government felt that way about it, it waited until February of 1959 to take this action.

The minister pointed out that during all these months it had been made quite clear to parliament and the people that the decisions taken from month to month—I believe they were reviewed every six months—were all tentative and were known by parliament, the people of Canada and the company to be