

Labour Crisis in Aircraft Industry

some few years ago and this year we decided to continue for one year or more the development of this aircraft. We are not committed any further than to continue the development for another year, with the right even then of discontinuing that development should the circumstances warrant taking such a step.

Then on page 3674 of *Hansard* for January 23, 1958 I said:

Mr. Speaker, some years ago research work was started to develop a supersonic interceptor capable of intercepting manned bombers which might be expected in about five years' time from now—

And this was in January, 1958.

Development work has proceeded on a year to year basis. Last fall the government authorized a further year's development of that aircraft which has now become known as the CF-105.

The future of that aircraft will depend entirely on the nature of the threat. The matter is constantly under examination.

Later, on August 8, 1958, at page 3237 of *Hansard*, I said:

In these estimates we have allocated \$175 million for the further development of this aircraft which, if it is proceeded with—and we have the right to discontinue it at any time—

I think that answers very clearly the doubt which may exist in some people's minds as to whether this company had any warning of the possibility that the development and production of the aircraft might not be proceeded with. The statement of last September, of course, made it perfectly clear. I can say that ever since I assumed this office I have been in constant touch with the officials of the company. I have seen them in London, I have seen them in Toronto, and I have seen them in my office here. Officials of the department and officers of the air force have been in continual touch with the company and have been advising the company almost daily of the progress made.

Mr. Pearson: I wonder if the minister would permit a question? My question is: had he or any officials of his department seen the officials of the company before the announcement made last Friday, to give them some warning that this announcement was coming?

Mr. Pearkes: The officials of the company have been in Ottawa within the last two weeks. They had seen the report in the press which had been put out, the statements by the officials of my department which were reported in the press when the estimates were tabled, clearly showing that there was enough money either to continue the development or to cancel it. There was no hesitation. There was no attempt to confuse anybody. It was clearly stated that both were possibilities.

So, after we had assumed office, it was made quite clear that we intended to continue the development of this aircraft for one more

[Mr. Pearkes.]

year. During that year there were very significant changes taking place on the strategic scene. Hon. members will recall that only a little over a year ago, at the end of 1957, the first sputnik was launched, and ever since then phenomenal progress has been made in all forms of missilery in the United States, in Russia and in the United Kingdom.

About that time Mr. Khrushchev made the announcement that the manned bomber was obsolete. Now hon. members need not take his statement as full, gospel fact, but he has made a lot of statements which have proved to be remarkably correct. The indication has been that the Russians are not continuing the production of any type of bomber more advanced than that known by the code names of the Bear and the Bison, and that the numbers of Bear and Bison aircraft in the Russian inventory is extremely limited and, furthermore, that these are the only two types of Soviet bomber which could reach this continent and return again. The figure quoted by the hon. member for Trinity (Mr. Hellyer), when he said that the Russians have some 2,000 bombers, must not be taken as indicating that these 2,000 bombers could reach this continent or that more than a very small fraction of that number could ever make the return flight, even if they were not opposed.

It would therefore seem that the basis upon which this development was first begun back in 1952, namely to have an interceptor ready by 1958 to meet what in 1952, quite reasonably, was expected to be an overwhelming force of enemy bombers capable of attacking this continent, had definitely not materialized and all the information we can get from all the sources which are available to the government indicates that the threat of the manned bomber against this country is diminishing. It would therefore not seem to make sense for us to go ahead and develop an interceptor which would be ready by the end of 1961 and which could be in squadron operation by 1962, to meet a threat which would hardly exist at that time. If, in the meantime, there is a change in Russian intentions and the Russians go into the production of a new type of bomber, or even build up the numbers they now have of the Bear and Bison types, there would still be time to meet that threat.

The hon. member for Trinity asked whether an attempt had been made to sell this aircraft to the United States or to the United Kingdom. I should like to inform the hon. gentleman that I went down to Washington personally. I saw the secretary for defence, Mr. McElroy, and I did my best to interest him in this aircraft last summer. Then, when we were attending the NATO conference in Paris we did our best once again to interest the