

Labour Crisis in Aircraft Industry

about the development of this aircraft, and I quote from *Hansard*, page 5380, June 28, 1955:

I can say that now we have started on a program of development that gives me the shudders, a supersonic plane and a supersonic engine. I believe those weapons are certainly required as soon as they can be produced—

I miss out a line or two, and then he went on:

However, we embarked on that program and already on that program we have invested \$30 million. Before we get through, it will be around \$100 million. That is a program no other country has carried through successfully as yet.

This aircraft, therefore, you might almost say was born in doubt. It was realized it was going to be a very expensive project. In 1953 the development of the prototype, was authorized and it was stipulated at that time that the production of the aircraft should be in 1958. It was also confirmed in 1954 that the Russians had developed a jet bomber, and that they also had exploded a thermonuclear bomb.

By 1955, the time when Mr. Howe was speaking to the house, this program had lagged behind. Costs had been increasing, but the government approved the program in spite of the fact that it had been pointed out that the funds available, which were then some \$211 million, would be insufficient to complete the development due to the increased costs of labour, raw material and the additional engineering costs. At that time the company was informed that while there were to be some 40 CF-105 airframes produced at a cost of \$191 million, and 14 Iroquois engines at a cost of \$70 million, it was to be understood that the program for both the airframes and the engines could be halted and abandoned at any appropriate stages if this was found to be expedient or necessary.

So even as far back as 1955 the company was informed that this was on a year to year basis. In fact about that time the government re-examined the program every six months because of the doubts which existed as to whether they were justified in expending such large sums of money. In November of that year—this is an indication of the efforts which were being made back in those days to sell this aircraft—Hon. Ralph Campney visited Washington and endeavoured to get the United States air force authorities interested in the CF-105. He received encouragement to go ahead, but received no commitment at all from the United States to purchase the aircraft.

At that time it was estimated that some \$300 million would be spent for the development, and that an additional \$1,544 million would be required for the equipment of some

15 squadrons instead of 19. The government had seen that it was necessary to reduce the number of squadrons from 19 to 15 because the cost of the aircraft had gone up from the estimated \$1½ million to \$2 million to \$2,600,000 per copy. So the government expressed doubts at that time. Production was slipping, and it was fairly obvious then that the aircraft would not be ready by 1958. Therefore further modifications were made in the program.

During the period 1955 to 1956 it was learned, perhaps for the first time, that the United States were developing aircraft with somewhat similar performances. The F-100, the F-102 and subsequently the F-106 were being introduced. It is not correct to say that the F-106 is inferior to the CF-105. They do have slightly different characteristics. The United States air force officials with whom I have discussed this matter—and I have discussed it with the most senior United States air force officers—are of the opinion that the F-106 fulfils their requirements rather better than the CF-105, and the F-106 would be a great deal cheaper for them than the CF-105. Prior to about 1956 we had not been aware of the fact that the United States government were going into the production of an aircraft similar to our CF-105. So again it was emphasized that the program which was being developed on the CF-105 could be altered, or if necessary abandoned, at any time.

Early in 1957 the chiefs of staff reported that while the technical development was continuing satisfactorily, the program was again slipping in time and increasing in cost. The first flight was expected to have taken place in May of 1957. That was postponed until August 1957. In fact it took place on March 25, 1958.

Then came the change of government, and after this government had had an opportunity to review the situation they continued with the program. That was confirmed in October of that year, and it was definitely stated that it would be for one year only. The program might be reviewed at any time within that year; it might be stopped, cancelled or altered, just as the government found the requirements demanded. As I say, that was in October 1957. I can quote various statements which I myself made in this house then and subsequently which would indicate that we were continually emphasizing the fact that this development was proceeding only from stage to stage, and that it would have to be reviewed at each stage. On page 2874 of *Hansard* for January 4, 1958, I said:

The CF-105 is being developed as a supersonic interceptor. The start was made on this aircraft