

Administration of development projects has been given to the services themselves. The Defence Research Board input and screening now take place during the initial stage of the project definition in order to determine at that stage if the proposal is scientifically feasible.

A management group has been formed called the Development and Associated Research Policy Group, under the chairmanship of the Chief of Technical Services. This group has the responsibility for initiating new projects, reviewing projects periodically to determine if they should be continued, and recommending the termination of projects that have been overtaken by time, technological advance or parallel development elsewhere.

This group has been formed and has been operating for some months. It has initiated a number of new projects that will be included in next year's estimates; it has consolidated a number of existing projects and recommended the immediate termination of a number of others. The time period for decision-making in the field of development has been dramatically reduced, and it appears that the new system will go a long way toward reducing to a minimum the problems inherent in the development field.

An example of the improved flexibility is in respect to the interesting development of a full-scale prototype of an ocean-going hydrofoil vessel.

A great deal of preliminary research has been carried out in respect to the development of hydrofoils, and a number of reduced-scale models have been built and tested. The considerable effort to date is of little practical value, however, in the absence of complete sea trials of a full-scale ship. We have one under construction now - the hull at Marine Industries in Sorel, Québec, the foils at De Havilland Aircraft Company, Toronto, and the weapons system at Canadian Westinghouse Company Ltd., Hamilton.

Like most development projects, the cost has increased substantially over original estimates and is now estimated to be \$36.2 million - a figure that covers the basic ship support services and weapons system. Under the former system of single service management, the increased funds would not have been readily available. The result, almost inevitably, would have been a stretch-out in the programme which, historically, would have resulted in even further increases in costs. Even worse, stretched-out development programmes often mean the loss of any lead we might have in concepts, thereby reducing foreign sales prospects.

A delayed programme would also have made trials so late that we would not have had the information needed when considering options available for a construction programme in the first half of the 1970s.

With an integrated headquarters it was possible to divert to the hydrofoil project savings we have made in other areas. As a result, both the ship and the weapons-system development are proceeding and we expect that sea trials will begin late this year. It is impossible to say with certainty whether the trials will be successful or not, but all the data on which the development is based lead us to believe that they will be.