

Adjournment Debate

ensure that the needs of Canadians are met as effectively as possible.

NATIONAL DEFENCE—PURCHASE OF NEW FIGHTER AIRCRAFT

Hon. Judd Buchanan (London West): Mr. Speaker, on October 23 of this year I asked the Minister of National Defence (Mr. McKinnon) two questions regarding the new fighter aircraft program. The first dealt with the dearth of industrial benefits being offered by the two contenders on the short list. The second question was directed specifically to the engine problems being encountered with the F16 and the performance problem with the F18A.

When the short list containing these two aircraft was announced last November, the present minister described it as a peculiar choice. Now he seems to be moving with unseemly haste. The minister must be aware—and if he is not, he should consult his colleague, the Minister for Science and Technology (Mr. Grafftey)—that it is absolutely crucial that Canada be assured of solid industrial benefits and offsets when making such a major purchase. There is grave doubt as to whether either the F16 or the F18A will be able to provide these. We have not been nearly as bloody minded as countries like France and Sweden in using our major military procurements to aid and assist our high technology industries.

● (2210)

Let me deal with the industrial benefits proposed by General Dynamics, the manufacturers of the F16. Of the \$2.3 billion involved in the purchase, only \$10 million is for advanced programs and advanced technology. There is absolutely no system or subsystem work. When there are large electronics contracts, they call up “manufacture of card assemblies, castings,” and other built to print hardware, in other words, a sophisticated form of paint by numbers.

If one assumes that in a modern fighter aircraft about 35 per cent to 40 per cent is for electronics, then the real amount of electronics transmitted on this aircraft is a pitifully small percentage of the total. There is, in short, almost no significant technology transfer. The General Dynamics proposals will guarantee our accelerated obsolescence and continued build-to-print handouts.

The Industry, Trade and Commerce evaluation report which was completed in July of 1979 stated, concerning General Dynamics:

If the attitude displayed by General Dynamics' negotiating team is typical of other aspects of its operations, one would have to be seriously concerned about the seriousness of their intentions to live up to any industrial benefit commitments.

General Dynamics' past record indicates that this concern is well founded.

When General Dynamics sold the F16 to the NATO consortium in 1976, they made a series of commitments. Let us look briefly at what has happened to them.

The price per aircraft was “not to exceed” \$6.09 million. By 1977, each aircraft was costing \$11 million. According to the

[Mr. Schellenberger.]

general accounting office in the United States, there is no common understanding of the term “not to exceed”. What is being said now is that the price was only a goal—any modifications made to the aircraft would push up the price, and the European countries must in turn pay for all such increases.

General Dynamics also promised 58 per cent in offsets to the European countries—a commitment which would guarantee 25,000 new jobs. An average of only 48.5 per cent has been achieved, with the resulting 11,000 jobs, with no outlook that this number will increase.

The high technology transfer has been, at best, negligible. The European countries have become subcontractors; all the research and development has taken place in the United States. The NATO consortium does little more than assemble parts.

Congressman Jack Edwards, the leading Republican on the house appropriations defence subcommittee, said recently that the engine problems “leave us in a right disastrous position”, to use his words, and that if he were building the F-16 powered by this engine, “I'd be nervous”. To add insult to injury, strikes at the Pratt & Whitney plant together with a shortage of parts mean that by the end of this year planes will be delivered with “gaping holes where the engines should be”.

The other contender on the short list is the F-18A, built by McDonnell Douglas. Here again, there would be no high technology transfer for Canadians. McDonnell Douglas has included a \$507.5 million package of Standard DC-9 and DC-10 work. This “offset” is clearly outside the guidelines established for the NFA program. So far as the aerospace subsystem work is concerned, again the ITC evaluation stated that:

Neither company's industrial benefits in this category are considered to make an adequate contribution to a life cycle support capability in Canada, nor do they extend the technological expertise of the eventual Canadian industrial participant.

The F-18A is now running into significant cost overruns on the U.S. order of 1,366 planes.

Serious deficiencies are showing up during the test stages of the plane. Of major concern is the combat radius and range shortfall. The F-18A is having to come home early because of its inability to stay in the air; there is a range loss of between 10 per cent and 15 per cent. The U.S. navy does not know why they are seeing this loss of range. Nor is the F-18A achieving a proper speed of acceleration. What is specifically important here is the fact that the aircraft cannot get to the sector of the area where the intruder is. The enemy may be out of radar range and the radar of the aircraft then cannot pick it up.

On Friday last, there was an accident involving the landing gear on the F-18A. The plane had gone through two days of testing on an aircraft carrier; however, when it came to make its first land approach, the landing gear broke. Because the landing gear is so complex, there could be serious problems and expense involved in maintaining the aircraft in a land role, which is the stance for which Canada intends to use the aircraft. We think it would substantially and significantly push up its life cycle costs. There is clear evidence that there is no