

A Board of Inquiry investigated the cause and their conclusions were made available to your Committee. It is to be noted that at the time of the test there was only one man in the engine room and another outside stationed alongside a mechanical device to bring into operation after a fifteen second warning signal the fire extinguishing apparatus.

Evidence given to your Committee was conclusive that at the time of the fire certain flexible joints installed on engine room piping was not as called for in the specifications and that some areas of metal surfaces including a temporary exhaust where temperatures reach approximately 1,000 degrees F had not been insulated and therefore hot metal surfaces were exposed.

The investigation conducted by the Department of Supply and Services and the Department of National Defence resulted in the information that the probable source of the fire was a hydraulic fluid leak which impinged on an exposed portion of the auxiliary gas turbine duct and thus ignited. Further conclusions were that the fire fighting provisions and organization were inadequate to cope with a fire of this magnitude; the inspection records did not afford proof that the hydraulic system in use had been fully inspected; documentary evidence of quality assurance was incomplete and thus inadequate and that National Defence personnel had not been advised that this particular test was planned for Saturday, November 5, 1966.

In view of all the evidence, the Public Accounts Committee is of the opinion that the fire occurred because of negligence by the De Havilland Company. Your Committee endorses the five recommendations made by the Board of Inquiry:

- (a) That the fire-fighting provisions and organization be improved;
- (b) That improved fire-proof fluid couplings be utilized in lieu of the hose and clamp connections in those systems where a risk of fire would occur if a leak developed;
- (c) That flammable fluid be isolated where practicable from potential ignition sources;
- (d) That the Department of National Defence representatives be informed in writing in advance of any testing;
- (e) That investigation continue to determine other areas of design which were potentially dangerous or inadequate for the intended purpose.

The Public Accounts Committee is much concerned about the insurance provisions relative to the hydrofoil project. Your Committee found it somewhat amazing that the Government contract with the De Havilland Company exempted it from having to carry any insurance irrespective of the cause or amount of damage through fire or other unforeseen circumstances. The provision is such that even if the Company were guilty of negligence in causing the fire with millions of dollars of loss incurred, no recovery could be made from the Company because the Government Department was the insurer.

Your Committee was pleased to learn that this entire matter of insurance coverage has been studied by the Department of Supply and Services and the Department of National Defence and some changes have been, or are anticipated to be made. However, in view of its investigation the Committee would most strongly urge that on major development or construction the company or companies involved be required to insure against damage resulting from their own negligence.