

Labour Crisis in Aircraft Industry

modern soviet bomber threat. On the same page the minister went on to say:

Perhaps the most efficient ones—

That is, hostile bombers.

—which the Russians will have in the very near future could not be engaged by the CF-100 in its present form; but if we can add certain other equipment to the CF-100 . . . then I believe the CF-100 will be able to engage effectively the majority of the Russian bombers.

A defence interceptor that can only engage the majority of enemy bombers surely is not one which we can rely for our defence in this country at this time. Yet we have no information as to an alternative or substitute for the CF-100. All we were told in the statement last Friday was that the Minister and his officials were giving further study to the matter. In February, 1959 they are giving further study to what will take the place of the CF-100, and it is not going to be the CF-105. If they have been engaged in these further studies, and they must have been for quite a long time, I ask the minister why these studies were not concluded before such an important decision was taken, before such an important change was announced to end the Arrow and perhaps disrupt an important section of the air industry. I ask him also, or someone else who will reply for the government, do these studies contemplate the purchase of aircraft from the United States or from the United Kingdom to replace the CF-100 or will they perhaps make possible the manufacture of another aircraft in Canada under licence? Could this perhaps have been done by A. V. Roe after cancellation of the CF-105? While these studies are taking place, what is going to happen to the aircraft industry?

This afternoon the minister gave us a good deal of information about the CF-105 some of which, I confess, was quite new and discouraging to me. He gave us a good deal of information also as to the amount of money that had been spent on the CF-105. He gave us estimates of the cost per plane, estimates which seem to have varied steadily from the first time the CF-105 was mentioned. I can understand that up to a point because as the nature of the bomber threat increased from 1953 on and as we learned more and more about the increased capability of Russian jet bombers, naturally there had to be changes made in the planning and development of a manned interceptor to meet these bombers.

But I have not yet been able to get clear in my own mind why there should be such a discrepancy between the cost per plane as given by the Minister of National Defence, let alone that given by the company, and the amount given by the Prime Minister in his

[Mr. Pearson.]

statement last Friday, which was \$12½ million per plane to be reduced to \$8½ million per plane if certain steps were taken. Before the committee on July 5 last year, as found on page 338 of the committee proceedings, the minister agreed that an estimate of \$4½ million for each plane for a total of 100 was a reasonably approximate figure. Perhaps the minister will remember that. How has that figure gone up to \$8½ million or \$12½ million in the Prime Minister's statement?

The minister said also that the figure of \$4.5 million of last July would be lower if more than 100 were ordered, and the company has said it would be much lower. Also on this subject of cost, on page 343 of the committee record the minister said he agreed that the Orenda Iroquois engine costs considerably less than inferior equipment built elsewhere. Of course, some hon. members will recall that an official estimate of cost was put on *Hansard* last year by the Secretary of State (Mr. Courtemanche) when he gave the figure for pre-production costs of \$6.1 million.

Now, the CF-105 is not to fill this gap. The CF-100 is, in my view, not effective to fill this need. It may be at the present time, but it is not going to be effective much longer. If it were effective, we would not have stopped producing it. What then, apart from the study that has been given the matter, alternative can there be? Of course, it is the Bomarc, not perhaps as an alternative but as a supplement to the CF-100. The Minister of National Defence, speaking before the committee again last July, stated that the Bomarc will not replace the manned interceptor. It is supplementary to the manned interceptor and he said that was his firm conviction.

However, this particular missile which is to be supplementary to and not replace the manned interceptor may be out of date before it becomes operational in the R.C.A.F. It may be an obsolete missile before the CF-105 could ever become obsolete as a manned interceptor. Indeed, in the *Ottawa Journal* today there is a statement by the Canadian Press to the effect that the defence department is already thinking of the possible replacement of the Bomarc anti-aircraft missile, and this before we have got it.

Are we then, Mr. Speaker, running the risk of adding to our armoury instead of the CF-105 a missile manufactured in the United States which will not be effective for the purpose for which it is intended? The minister gave some information about it this afternoon. His figures did not, in some respects, agree with the figures I have secured