The NATO military authorities have recognized this deterrent force requirement and have requested Canada to provide a strike reconnaissance aircraft contribution. This contribution requires an aircraft capable of flying at a comparatively low altitude at great speed in order that targets on the ground, either stationary or moving, can be located and attacked. While such action would only be taken after hostile ground forces had commenced operations in Western Europe, the presence of these aircraft in Europe would considerably enhance the value of the deterrent. The Government, therefore, has decided to re-equip the eight squadrons of the air division, now armed with the F-86 day fighter, with a strike reconnaissance aircraft. The four CF-100 squardons are continuing in their present role.

The F-86, although in service for a number of years, is still an effective aircraft; but if we are to continue to support NATO a decision had to be made as to the role the air division would play in the years ahead. Some two years will elapse before new aircraft will come into operational service, and by that time the value of the F-86 will have diminished in comparison with other aircraft in operation. Failure to take a decision now, therefore, would jeopardize the effectiveness of the RCAF's contrubution in the future and undoubtedly would cause serious alarm and harm to the Alliance. The decision now taken is in accordance with the recommendations of the Supreme Allied Commander and re-emphasizes the fact that Canada, as a member of the NATO Alliance, intends to continue to meet its agreed commitments as we have in the past, despite the heavy costs involved.

Provided the negotiations which are being carried on with the Lockheed Aircraft Corporation can be brought to a satisfactory conclusion in respect to costs, production sharing and other contractual terms, the aircraft selected will be the F-104G, a single-seater supersonic aircraft equipped with the J-79 engine. It is an advanced version of the F-104, which is now in service with the United States Air Force. Members of the Committee will be aware that this aircraft was also selected by the Federal Republic of Germany and will come into operation with the air force of the Federal Republic of Germany at about the same time as it will come into operational use with the RCAF squardons. In the meantime the German air force is taking into operational use the F-86. While the airframe and engine will be manufactured under licence in Canada, final details of production and costs will be announced by the Minister of Defence Production in due course.

The F-104G was selected as the most suitable after more than 20 types of British, American and European aircraft had been evaluated by the RCAF. Consideration was also given to the possibility of modifying existing Canadian aircraft with a view to converting these aircraft to carry out the new role assigned to air division. Such aircraft were developed essentially as fighter or interceptor aircraft, and were designed to engage hostile bombers