

Labour Crisis in Aircraft Industry

a new menace, namely that of the ocean-going submarines which are capable of reaching our shores and of launching missile attacks from their decks. Therefore, we are carrying on with an extensive development for the protection of our coastal areas by increasing the number of destroyer escorts that we have and building an additional six of the repeat Restigouche type. The expenditure on these and the first seven Restigouche type is going to be in the neighbourhood of \$350 million. We have developed the Argus aircraft which is recognized as the best marine reconnaissance submarine chaser that there is. But that faces us with a cost of \$236,896,000. In addition to that, we have to consider the possibility of re-equipping the air division in Europe and of re-arming the army with more modern equipment. The army has not had very much new equipment purchased for it during the past 10 years and the government announced they were going to arm the brigade overseas with the Lacrosse missiles and that again runs into a sum of \$4.3 million.

We have now on order or have actually built additional air transport in order that our brigades may be able to take part in any United Nations commitments that they may be called upon to fulfil. That again is running into the large sum of \$140 million. In order to meet all these requirements we have to review continually the amount of money that we can spend on air defence of this continent and also on the other commitments we have.

If we met all requirements we would be running into a budget far, far higher than the budget for which we are now providing. If we had not taken this action, if we had continued with the CF-105 we would be faced with making a complete change in our defence structure. It might have meant that we would have had to stop the building of such ships as the *Restigouche* and others of that type. That would throw many hundreds of men out of work from our shipyards. We might have had to cut down the strength of the army or something of that sort. You have to strike a balance.

I have tried to point out that the threat is very definitely diminishing. We are in partnership with the United States. We are playing our full part in that partnership. We are developing the warning systems right from the D.E.W. line down to the Pinetree line. We are spending large sums of money there. We have given of our air space; we have given of our territory. We are playing our full share in the mutual defence of the North American continent. The United States could not carry out the defence of their country without the

aid of Canada, without the assistance of Canadian air space, without the assistance of our warning systems, without the facilities which we can provide on the ground. We could not carry out the defence of this country if we did not work in partnership with the United States.

I mentioned at the beginning of my remarks that originally it was planned to have 500 to 600 CF-105's for the defence of Canada alone.

Mr. Hellyer: Can the minister tell me if that figure is in the records because our recollection is that it was 300?

Mr. Pearkes: The original figure in the records is between 500 and 600. The figure of 300 was given at a later date at one of the subsequent reviews. I have checked these figures very carefully. I merely mention that to give an indication of the enormous expense involved and what an utter impossibility it would be for Canada to provide for all the defence of this country. Therefore one enters into a partnership in which there should be a balanced form of defence, one partner providing certain things and the other partner providing other requirements. There should not be any attempt to try to give a small portion of every requirement there may be. Therefore I think it is perfectly reasonable that at this time we should be placing more emphasis on developing the warning systems that are of such vital importance not only to Canada but also to the United States, and also to the powers of retaliation which really are the only preventive of war today.

Therefore we can rely upon the United States which has declared that it has available a large number of interceptors and, even if we had the CF-105, would be providing interceptor defence for the greater portion of North America. We can rely upon them and provide additional facilities for them to operate, if necessary, over our country. In the meantime we do not believe that the threat is materializing. We believe that the CF-100 is capable of dealing with the bomber that the Russians can send over this country. It will be touch and go as far as combat between the CF-100 and the Bear-Bison is concerned but, as I pointed out, they have that aircraft in very limited numbers. As far as the Russian bombers described by the code name Badger are concerned, our CF-100 is quite capable of dealing with them.

I should like to emphasize one thing in closing, that we have to maintain a degree of flexibility so that we can be prepared to meet what is far more likely to be the threat in a few years time, the intercontinental missile.