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TORONTO, CANADA

OFFICE OF THE
PRESIDENT & GENERAL MANAGER

November 6, 1953.

Right Honourable C. D. Howe,
Minister of Defence Production,
O t t a w a , Ontario.

Dear Mr. Howe:

I am very concerned about the criticism of the company's performance which apparently still prevails in certain quarters, particularly with regard to aircraft production and costs. Whereas some criticism may have been justifiable in the past, it is felt that our actual performance, and particularly over the past year, has been such as to warrant the complete confidence of your Department, and the Department of National Defence.

Because of my concern over this matter, I asked for a complete analysis of our production and cost performance on the recently completed contract for 70 CF-100 Mark 3 aircraft. Inasmuch as this report is quite voluminous, I have had it condensed in summary form, and a copy is attached, which I hope you will feel rewarded in reading.

Charts 1 and 2 show that production and acceptance schedules submitted to your Department in October, 1952, were met and exceeded. Chart 3 shows that the actual man-hours, both on a cumulative and unit aircraft basis, were better than those forecast. In the same manner, Chart 4 illustrates that the performance in terms of man-hours per lb. also was an improvement against the anticipated performance.

The foregoing facts unquestionably demonstrate the ability of the company to set, meet, and even exceed schedules and estimates.

We have also used our best efforts to determine how our performance compares with that of others and, in this regard, we have ascertained certain average man-hour per lb. performance data on all types of fighters produced by the various United States companies from the U. S. A. F. Man-Power Utilization Survey Branch. When an appropriate factor is applied to these figures, to provide for the configuration of the CF-100, the comparatively low rate of production

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due to the small number ordered, I am satisfied that our performance is a creditable one.

Again, while the two types are not comparable due to the much greater degree of complexity in the case of an all weather fighter, I am led to believe that our man-hour per lb. performance in the production of the 70 Mark 3 aircraft is equal to, or even better, than that achieved on the first 100 Sabres built in Canada.

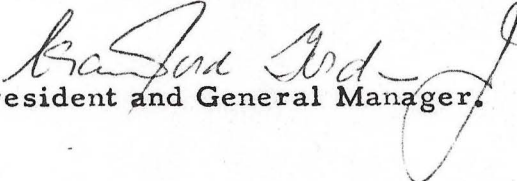
While final cost data is not yet available, present figures indicate that our performance on the Mark 3 contract will result in a saving of some three million dollars as against the estimated cost with which we provided the Government,

I believe that a further, factual demonstration of the ability of the company to produce was the completion of the first Mark 4 on schedule, in spite of almost insuperable difficulties. I am confident that the results achieved since the beginning of this year, during which time the aircraft was virtually completely tooled and produced, have never been surpassed by anyone, and I am equally certain that our production and man-hour performance will continue in a competent and efficient manner.

I hope you will pardon me for writing to you in this way, and at such length, but the only way I know of by which these unfounded rumours can be quashed is by an understanding and analysis of the facts. I also feel deeply that it is important that our ability to perform against production schedule and cost estimates should be realized and appreciated.

With kindest regards,

Sincerely yours,


President and General Manager.

Crawford Gordon, Jr.

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Encl.

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