

# Item: 17919

**Title:** Closing down of Canadian Car plant at Fort William

**Meeting Date:** 1959-01-20

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(Previous reference Jan. 10)

26. The Minister of Public Works reported that he and the Ministers of National Defence, Labour, and Defence Production had discussed the closing down of the Canadian Car plant at Fort William with Mr. Harwood, the president of the company, and the operations superintendent, Mr. Burgess.

The Fort William plant was designed mainly for aircraft work and other relatively light manufacturing; three-fifths of its employees were on aircraft work and two-fifths on civilian business, mainly buses. There was no prospect of sufficient aircraft work in the future to maintain the present number of employees. However, the first stage of a development contract for an armoured personnel carrier, the Bobcat, had been completed and the Minister of National Defence was agreeable to having the second step proceed now. This might be let to Canadian Car on the understanding that employees would not be released from the Fort William plant. If production were decided on later to take place at Fort William, it might require capital aid of anywhere from \$4 million to \$7 million and the Bobcat would cost \$3,000 per unit more than otherwise. On the other hand, if nothing were done, it would be a great blow to the Lakehead and a still further undesirable concentration of industry in central Canada.

27. The Minister of National Defence said the Bobcat was designed to replace the universal carrier of the last war. It would be used to re-equip the brigade in Germany, and some would be used for training purposes in Canada. In six months time it should be possible to decide whether to go into production. The lay-offs contemplated at the Fort William plant were not scheduled to start within that period in any event. The Minister felt bound to add that the proposal would cost his department more than otherwise, but perhaps political considerations outweighed the arguments for economy in this instance.

28. Mr. Nowlan said it would be most unfortunate if giving the Bobcat contract to the plant in Fort William were to have the effect of altering Canadian Car's plans to re-open a plant at Stellarton, Nova Scotia.

29. The Cabinet noted the reports on the possibility of letting a contract for an armoured personnel carrier (the BOBCAT) to the Canadian Car and Foundry Co., Ltd., in order to prevent the closing down of the company's plant at Fort William.

R. B. Bryce,  
Secretary to the Cabinet.