

Item: 19079

Title: Contract for component of CF-104 aircraft - Canadian car plant at Fort William

Meeting Date: 1959-11-19

Reference: RG2, Privy Council Office, Series A-5-a, Volume 2745 Access Code: 90

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<http://www.bac-lac.gc.ca/eng/discover/politics-government/cabinet-conclusions/Pages/item.aspx?IdNumber=19079>

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12. The Minister of National Defence said that development of the Bobcat was not yet completed. At one time it had been thought that the United Kingdom might be interested in buying Bobcats but it appeared now that they would not. Consequently, the unit price would be substantially higher than anticipated. This was estimated now to be \$54,000, and he could not see how the Army could be authorized to adopt the Bobcat at such a high price and still remain within the defence budget of the present size. The Army needed an armoured personnel carrier, but in view of the outlook for the Bobcat, thought was now being given to a production sharing arrangement for a U.S. vehicle. However, he was not in a position to make a recommendation at this time.

13. During the discussion strong views were expressed about having to rely once more on U.S. equipment for the armed services. On the other hand, to develop and produce suitable equipment in Canada for Canadian use only was frequently more expensive. The question was whether to keep the forces properly equipped and remain within the defence budget or to place several orders in Canada from time to time in order to sustain Canadian industry, regardless of cost. To allocate a contract in this instance would cause great difficulties in other areas where government work had been requested but not granted because it had been decided to adhere to the tender system. There was some chance that Mr. Harwood was bluffing.

14. The Cabinet noted the report of the Minister of Defence Production on the lack of sufficient work at the Canadian Car plant in Fort William to keep the plant open and decided that no assurance could now be given to the company that a contract for the production of the Bobcat army vehicle would be granted to it.

Senatorial appointments
(Previous reference Nov. 18)

15. The Prime Minister said he had a number of appointments to the Senate for consideration. At the moment he wished the Cabinet, and Ministers from Quebec particularly, to think about the possible appointment of Mr. John Sullivan, an Irish-Catholic from Montreal.

16. The Cabinet noted the comments of the Prime Minister about the possible appointment to the Senate of Mr. John Sullivan of Montreal.

University Grants
(Previous reference Nov. 17)

17. The Minister of Education ...