

*Oral Questions*

will be part of the 412 Squadron; they will not be uniquely for the transport of VIPs.

COST OF CANCELLED CHALLENGER AIRCRAFT DEVELOPMENT PROJECT

**Hon. Allan B. McKinnon (Victoria):** Madam Speaker, I understood the Minister of Transport had already bought two Challengers, and I thought they might serve the same purpose. My supplementary question is directed to the Minister of Industry, Trade and Commerce. Could he inform the House how much research and development money and other funds went into the stretched version of the Challenger jet before the project was cancelled with a loss of some \$500 million worth of orders?

**Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):** Madam Speaker, I will be happy to obtain that information and provide it to my hon. friend as soon as possible.

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EXPORT DEVELOPMENT CORPORATION

CONSTRUCTION OF MONUMENT IN ALGERIA

**Hon. Elmer M. MacKay (Central Nova):** Madam Speaker, my question is directed to the Secretary of State for External Affairs. How much is it costing the country through the Export Development Corporation to expedite the construction of a monument in Algeria, which is reported to cost over \$100 million, in time for the anniversary of the country's revolution in July? Could he tell us something about the terms and what the real cost to Canadians will be for this rather unusual utilization of this agency to help a Third World country, which I thought would better have been for agricultural and humanitarian purposes?

**Some hon. Members:** Hear, hear!

**Hon. Mark MacGuigan (Secretary of State for External Affairs):** Madam Speaker, this is not at all unusual. It is an ordinary export financing operation of the EDC.

**Some hon. Members:** Oh, oh!

● (1450)

**Mr. MacGuigan:** The purpose of it is to help Canadian exporters to compete in the world, as the hon. gentleman well knows. The original arrangement was for the EDC to loan 85 per cent of the amount in question, I believe, some \$47 million.

**Miss MacDonald:** It has escalated.

**An hon. Member:** At 6 per cent?

**Mr. MacGuigan:** The increases projected are now under reconsideration. I want to emphasize that the purpose of this financing is to provide jobs in Canada.

**Some hon. Members:** Oh, oh!

USE OF CORPORATION RESOURCES

**Hon. Elmer M. MacKay (Central Nova):** Madam Speaker, it appears that Algeria has an edifice complex.

**Some hon. Members:** Oh, oh!

**Mr. MacKay:** I ask my question in all seriousness Madam Speaker. I wonder if this is a responsible way for our Export Development Corporation to use the resources provided to help a Third World country. It is not for agriculture, not for medical purposes, but simply to glorify a revolution.

**An hon. Member:** It is not CIDA.

**Mr. MacKay:** Is this something to do with the fact the Prime Minister had to return there twice when he missed the boat at Austria?

**Some hon. Members:** Oh, oh!

**Mr. Trudeau:** The boat at Austria? That is the best. There is no sea at Austria.

**Hon. Mark MacGuigan (Minister of State for External Affairs):** Madam Speaker, the complexes revealed by the hon. member are much worse than any others I know of. I repeat, this is not aid, it is an ordinary form of export financing.

**An hon. Member:** What is the interest rate?

**Mr. MacGuigan:** I have a quotation from the Hatch report, which resulted from hearing from, among others, 17 private sector representatives:

If government subsidy of EDC is necessary to achieve and maintain international competitiveness in financing services, such subsidy should be given.

**Some hon. Members:** Oh, oh!

**Mr. MacGuigan:** I believe, Madam Speaker, that the Hatch report met with approval from the opposition benches as well as from this side of the House.

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FINANCE

TAXATION OF NORTHERN BENEFIT ALLOWANCES

**Mr. Lyle S. Kristiansen (Kootenay West):** Madam Speaker, my question is for the Minister of Finance. A northern nightmare lasting longer than the proverbial six months' northern night will descend upon Canada's remote resource communities and mining industry as certainly as night follows day if the minister does not act soon to extend the tax moratorium on northern benefit allowances. In recent months at least one