

Export Development Act

spending amounts to 280 years of the existence of the Senate. However, if you would like to spend it all in one year the way Canadair did, you could pick 280 of the largest cities and towns in Canada and get them to expand their councils to 100 people and give them each \$50,000 a year. That is the kind of bill you could pay with the money which Canadair managed to lose in one year. It is an astronomical amount of money to consider.

There is one individual who has kept his role in this pretty quiet, that is, the current Minister of Energy, Mines and Resources (Mr. Chrétien). When we first got into the Canadair project, particularly the Challenger aircraft, he was the Minister of Industry, Trade and Commerce. Today I was looking through the records of the House of Commons. The public accounts for the fiscal year which ended in March of 1919 showed some interesting figures from the time of Confederation, which came about in 1867, to 1917, 50 years later. The Canadian Government had managed to get into debt to the extent of \$112 million in 1869, in two years. It then went along paying its way to a fair degree, and it was in 1917, three years into World War I, that it managed to get in debt up to the \$1.3 billion which Mr. Goyer and his friends were able to lose in one year. What it took to run the country for 50 years, they managed to run up in the form of a loss in that one year.

The Minister of Energy, Mines and Resources was very proud in the early days of the Challenger program. On February 10, 1977, he had been that Minister only since September. He said, as reported at page 2934 of *Hansard* for that date, and I quote:

I have only been holding that position since September—

He meant the position of Minister of Industry, Trade and Commerce. He went on to say:

—I announced that Canadair in Montreal would undertake a program for the construction of a revolutionary executive jet, the LearStar. If the program becomes productive, we will directly create some 1,500 jobs at Canadair in Ville Saint-Laurent, which means more jobs than on the Olympic sites during the construction of that so popular stadium in Montreal. Unfortunately the press did not often mention it. And not only those 1,000 jobs directly related to Canadair.

It is only of passing interest that he managed to lose 500 of those jobs in one paragraph. However, there he was, boasting, and we put up with that boasting day after day in the House. Every time the subject was brought up, the Minister of Energy, Mines and Resources would have more to say on it. He said on March 8, 1977, as reported in *Hansard* at page 3763:

I could go on like this, Mr. Speaker, in many other fields. However, I might talk for a few seconds, with your permission, about the famous LearStar jet project. I was asked questions in the House this afternoon on that matter. This is becoming one of the greatest success stories in the history of industrial development in Canada.

Such naivete, Mr. Speaker, is unbelievable, at that stage of the negotiations and of the operation of the Crown corporation. He continues:

Within three months, we have already sold 71 aircraft at a cost of some \$5 million each.

He goes on to say:

Today, less than six months after Canadair first became interested in that project, 60 orders with deposits have been placed and contracts signed. . . . by the end of 1977, a total of 131 aircraft will have been sold, the minimum required for that project to be completely profitable.

This is at March 8, 1977, Mr. Speaker, and he claimed that by the end of that year we would be breaking even on the entire project. That indicates very clearly, Mr. Speaker, the difficulty you have when people who understand very little about the operation of business get into a controlling position of business and are able to delude themselves the way in which the Minister of Energy, Mines and Resources was able to delude himself at that time. Again he said on March 8, 1977, as reported at page 3763 of *Hansard*, and I quote:

. . . of the 79 sales made so far, only two or three are for the domestic market. All the others are for export. So we have a great advantage. This project is creating jobs in Canada and the high-quality finished product is being sold around the world. This is one example of the job of work the government is doing in an effort to maintain our capability in the field of high technology while increasing our exports abroad.

Of course, we all know the Federal Express story. The Government lent Federal Express the money to buy its planes and it lent a company the money to build the planes. Therefore, both the vendor and the purchaser were being financed by Government money, and in the eyes of the Government that made for a great success story. It was selling planes. To finance both sides in a deal like that is a mug's game, and it should have been known at the time. In fact, it turned out to be worse than that because, far from buying the planes, Federal Express held the Government to its contract and was able to settle without taking the planes and was given a plane, and I believe it was \$4 million, just to let the Government out of a bad contract.

Finally, Mr. Speaker, I would like to mention something which happened considerably later. It was illustrated in *The Canadian Military Journal* in the winter of 1981, some four years later, when everyone in the country, except the Minister, knew what a failure that program was. The Minister, whose name is mentioned, at the time of the Challenger roll-out was quoted at page 18 as saying, and I quote:

. . . that he had warned them, (with tongue in cheek) that "if the airplane doesn't work, you will all be out of a job and so will I.

I'm glad the Challenger is such a tremendous success, so now our jobs are secured".

I do not know if the Minister's job is secure or not. I understand he is trying very hard to get another one. But we will find that out within the next few months. However, these frivolities from people such as the Minister—and there is no indication that the Government has become any more hard-headed about it—and the frivolities from politicians in such positions, has cost the Canadian taxpayers \$1.4 billion, and I would ask Hon. Members of the House to consider very carefully why we should extend a line of credit to the EDC from \$1 billion to \$2 billion in order that they can lose money even faster than Canadair, even though it is hard to believe that that is possible.