

lines were the government's own rules by which it determines whether or not it will make papers public. At least they are a starting point for a committee of this House to formulate some reasonable rules and, as suggested by my colleague, the hon. member for Welland (Mr. Railton), they are better than those of most other countries. This motion could well have been withdrawn, perhaps never moved, if we had an adopted set of guidelines such as those proposed. I suspect, as did the hon. member for Welland, who sat as a member of that committee, that the notice of motion for the production of papers was a ploy to obtain a debate.

I do not feel it is too much to ask the hon. member for Victoria to be just a little more patient. The Minister of Supply and Services had earlier agreed to provide the hon. member for Victoria with a copy of the contract with the company when it had been executed. On February 2, 1976, in reply to a question by the hon. member, as reported in *Hansard* of that date at page 10524, the Minister said:

The contract has not been signed, Mr. Speaker.

He then told the hon. member that some technical difficulties had emerged which caused some delay.

Just a short while later on February 12, and again on February 13, in reply to questions from the same member, *Hansard* reports at page 10868 that the minister said:

These technical problems relate strictly to long term financing—

Mr. Speaker, the contract we intend to sign with Lockheed Aircraft Corporation has been subject to a long study by an interdepartmental committee, under the direction of the Department of National Defence, and for which the government paid a considerable amount of money to have the program finalized. This contract has finally been negotiated through the Department of Industry, Trade and Commerce to establish what would be the best economic repercussions for Canada.

We thought we had all the possible advantages to meet our needs and our economic objectives. This is why we are considering the possibility of signing the contract with Lockheed Aircraft once the arrangements concerning the long term financing are completed.

As reported at page 10919 of *Hansard*, the Minister of Supply and Services said this:

Mr. Speaker, we are now studying the problem of long term financing. The Minister of National Defence is taking a very close look at it and I would not like, for the time being, to disclose anything which might harm the negotiations. This is why I am requesting the hon. member to be patient. I think that within a few days the Minister of National Defence and I will be able to say exactly what has been the fate of this contract.

The minister was trying to tell the hon. member that until the negotiations were completed and the contract signed, there was no document to produce. Surely what has been said is clear. I fail to understand why the hon. member would move that a copy of the proposed contract be tabled. The government is not trying to withhold information; it is merely trying not to impede or jeopardize the negotiations which are still being carried out.

If you will allow me, Mr. Speaker, a few more quotations from *Hansard* will assist in establishing the chronology of events. On March 9, as reported at page 11617, the Minister of Supply and Services said:

Mr. Speaker, from the contract negotiated but not yet signed with Lockheed Aircraft Corporation Ltd., will flow a major economic boost for Canada and we obviously keep this advantage in mind.

As for the terms of payment of this eventual contract with Lockheed, we are not required to make a down payment. According to the agreed formula, we pay as the production goes on. As for the risk of dealing

Lockheed Contract

with Lockheed, some officials met with representatives of the American government to assess what would be their own position toward Lockheed, given the prevailing circumstances surrounding this corporation.

The American government accounts for two thirds of Lockheed's over-all orders, which means that Lockheed considers the United States government as a major player. The fact that the United States chose to deal with Lockheed reassures Canada to a certain extent.

Up to that point in time no contract had been signed, but the hon. member will agree that the minister was keeping the House informed of the development in negotiations, almost day by day. The most recent significant development was transmitted to the House on April 1 when, in reply to a question from the hon. member for New Westminster (Mr. Leggatt), the minister is quoted in *Hansard* at page 12350 as saying:

Mr. Speaker, it is true that Lockheed Aircraft Corporation Ltd. did some work before the contract signature. It is also true that Lockheed gave us a first delay until March 31 without any change in prices and in the economic advantages for Canada. This is in fact a provision of the letter of agreement we signed to the effect that we are going to pay Lockheed for work done between January 5 and April 30, with a view to preserving the price we negotiated last December, preserving the production schedule which is advantageous for Canada, and preserving the economic impact which is evident for the country since we sign a \$614 million contract with Lockheed and we are going to have economic repercussions of about \$580 million in Canada.

In consideration of all these advantages, we agreed with Lockheed to pay a maximum of \$16 million in case we put an end to our negotiations between now and April 30. This being said, we do intend to sign the contract if possible, because these are the best conditions we can get for Canada to fulfil its role in NATO.

From these open answers in this House it can hardly be said that the government is withholding information. On the contrary, I feel strongly that exemption No. 10 of the guidelines was carefully weighed before being proposed, and likely with the precise object of avoiding any impediment to the orderly unfolding of negotiations. This is why the government chose to oppose the motion presented by the hon. member.

Guidelines are criticized and rightly so; results would not be achieved otherwise. I am looking forward to the final report and recommendations from the Standing Joint Committee on Regulations and other Statutory Instruments which will bring in definite rules by which the public and parliamentarians will have access to more information. In line with the policy of openness that the hon. member for Halifax-East Hants (Mr. McCleave) is hoping will be adopted, I am confident the recommendations will not breach the confidentiality of such deliberations as are presently going on in relation to this contract. I shall now conclude, Mr. Speaker, and give some other hon. member a chance to contribute.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, the parliamentary secretary seems to miss the point on this issue. I must say I find it rather strange that the Minister of National Defence (Mr. Richardson) is not in the House to argue his own case since we are talking about a \$1 billion contract. It has been subject to six weeks of questioning in the House of Commons, and the matter has been brought up in committee, but we still do not have the answers. I suggest to the parliamentary secretary that he take this information back to his minister.

This would have been an excellent contract for the national defence committee to have studied. Buying aircraft