

Supply—National Defence

Mr. Hellyer: When the Avro Arrow was cancelled Canada lost its leverage. Since then we have been the weak sister in the NORAD alliance with the United States. We have lost the leverage we had in dealing with them. I was told that if we had gone ahead with the production of the Avro Arrow there was a possibility, depending on what the Russians would have built by way of supersonic bombers, that had the United States been able to buy this aircraft off the shelf they might ultimately have ended up by recommending the discontinuance of the 108 project. I do not know whether this is so, but I doubt whether the minister or the government went into these things fully.

Mr. Bell (Carleton): Who told the hon. gentleman that?

Mr. Hellyer: I am not going to tell the hon. member my source of information.

Mr. Ricard: The hon. member cannot prove it.

Mr. Hellyer: He does not tell me his. What is more, I have no faith in his. Some of mine are most reliable.

Mr. Chevrier: Hear, hear.

Mr. Hellyer: We lost our leverage; we became second-class citizens in NORAD when we cancelled this great project. Had we continued our leverage might have enabled us to swap either aircraft or engines with the British for atomic submarines; it might have permitted us to swap Iroquois engines with the French for mirage strike fighters; it might have permitted us to exchange Avro Arrows and/or their engines to the United States for missiles and ultimately anti-missile missiles which we may require; but in one fell swoop we lost our bargaining power, we lost what we had built up, namely the leverage to negotiate with our NATO allies and particularly with the United States.

In conclusion, Mr. Chairman, I think history will record that this was one of the worst decisions ever made by a Canadian government. Economically, they say, we could not afford the cost. The sum of \$750 million is the figure that we are told we would have had to pay out.

Mr. Ricard: Is that the opinion of your party?

Mr. Hellyer: In February of this year we had hundreds of thousands of people unemployed in this country. Under those conditions, if we had gone ahead with this project—

Mr. Ricard: Is that the opinion of your party?

[Mr. Ricard.]

Mr. Hellyer: Under those conditions—

Mr. Ricard: Answer or desist.

Mr. Hellyer: —if we had gone ahead with construction of the aircraft it would have generated in additional gross national product over the period of time in which it was in production at least twice that amount. If my hon. friend thinks he can contribute to the debate he should intervene with some sensible remarks after I am finished.

The Deputy Chairman: Order. I am sorry, I must advise the hon. member that his time has expired.

Mr. McGee: Now that he has resumed his seat will the hon. member permit a question? Did the hon. member happen to read the report of the estimates committee of last summer, of which his leader was a leading member, in connection with the decision to cancel the Arrow?

Mr. Hellyer: Of course, Mr. Chairman.

Mr. Winch: I should like to ask a question of the Minister of National Defence because it deals with an explanation of policy which I know he will understand. I would be very appreciative if the Minister of National Defence would comment on this. In view of what he had to say this morning in his presentation about the fact that there will not be any defence against the intercontinental ballistic missile, for a number of years to come at any rate, and that there is still a danger and a possibility and the potentiality of an attack by manned bombers of a supersonic nature; in view of the fact he has announced that Canada, having no defence against the ICBM, is going to instal the Bomarc which, if proven, is only a defence against bombers; in view of the fact he has announced that we are going to buy fighter airplanes, to be made partly in Canada, for the re-equipment of our force in Europe; in view of the fact that everything he has said is based on a manned fighter project, then on what basis was the CF-105 cancelled, which was a manned fighter or interceptor? Would the minister be kind enough to tie all these statements together and make one sensible statement out of them?

Mr. Pearkes: Yes, Mr. Chairman. A number of questions were raised during the debate this afternoon and perhaps I can answer them briefly. If further information is required I will be happy to give it when we have that information available and the officials are here with their books.

I must first of all express my appreciation to the Leader of the Opposition for the thoughtful and valuable contribution that he