

Adjournment Debate

ed to share their time between the headquarters in Vancouver and the Toronto office,

Unfortunately, the opening of the headquarters in Vancouver was somewhat delayed by strikes that affected the installation of elevators in the building where the CDC had rented its office space. However, Mr. Speaker, I note in conclusion that the headquarters of the CDC have in fact been transferred to Vancouver within the time limits announced by the right hon. Prime Minister.

[English]

Mr. Paproski: That was a political speech.

NATIONAL DEFENCE—DAMAGE TO HMCS
"RESTIGOUCHE"—REASON FOR ESTABLISHMENT OF
LEGAL INQUIRY FOLLOWING INITIAL INQUIRY REPORT—
COST OF REPAIRS

Mr. Doug Rowland (Selkirk): Mr. Speaker, out of deference to the hon. member for Edmonton Centre (Mr. Paproski), I will try to keep this speech non-political. A little better than three years ago, HMCS *Restigouche*, a destroyer escort in service with the Canadian armed forces, was sent in for its half-life refit, which put it out of service for about two years. When it was built about 15 years ago it cost in the neighbourhood of \$26 million. The refit involved an expenditure of an additional \$6 million to bring it up to current service requirements.

Just before going back into service, the normal sea trials were conducted by the Canadian armed forces to determine whether the refit had been carried out to their expectations and requirements. During those sea trials it was discovered, and I quote from issue No. 13 of the Standing Committee on External Affairs and National Defence, page 51:

A formal inquiry into corrosive damage to the propulsion system of HMCS *Restigouche* has revealed that the damage was caused by hydrochloric acid which produced general corrosion and pitting through much of the steam system resulting in the seizing some valves and turbines.

That damage resulted from taking the ship to sea. It resulted from the normal checks on the feed water system not being carried out before the ship went to sea. Hydrochloric acid very quickly damages propulsion systems in ships if it is found in feed water. There was a board of inquiry. The board produced a 400-page report of the reasons for the damage. That report has never been made public. Numerous attempts were made to obtain the information. On March 1, March 2, April 2 and May 9 I asked questions in the House and placed questions on the order paper to discover what happened and when we might expect a statement. The hon. member for Dartmouth-Halifax East (Mr. Forrester) asked questions. The sum total of our efforts is the following statement by the Minister of National Defence (Mr. Richardson) which appears on page 46 of the same committee report:

Restigouche had also been accepted from the contractor by DND on 12 May 1972 but before the ship was placed into operation, extensive corrosion was discovered in the main propulsion and auxiliary systems.

It is normal practice, whenever significant damage to DND facilities or equipment occurs, for a board of inquiry to be convened, and this was done on 4 August, 1972. The board's purpose was to determine the most probable cause of the damage, to

[Mr. Comtois.]

identify any administrative procedures which may have contributed to the damage, and to identify what repairs were necessary. Hearings of the board took place from 21 August to 14 September, 1972, and its report was delivered on 18 September. On 29 September 1972, the department made a press release . . .

The Department of Supply and Services is assessing the legal aspects of any claim which the Crown may have for the recovery of compensation, resulting from the corrosion damage. The board's report is one of the documents being studied by DSS in this regard. Consequently, I will not go into detail on the report of the inquiry at this time.

We have heard nothing more. I have had this question slated for months for debate on the adjournment motion, but I was requested by the Department of Supply and Services to delay bringing the matter to the floor of the House because those concerned were expecting the report of the legal inquiry which, I understand, was designed to determine whether there was any legal liability and whether any action could be taken for the recovery of the cost of the damage which amounted to \$750,000, plus the lengthy period which the ship was out of service. I was asked to delay until such time as the report had been received, and I agreed to do so.

● (2210)

I have waited six months, during which time I have not heard again from the department. I still do not know whether the legal inquiry has been completed, whether a report has been received by the minister or, should he have received it, what recommendations it contains. I do not know whether there is ground for legal action against the shipyard. It is certain that no action is to be taken against the navy, because I know that a court martial is not contemplated. I think it is time, considering the large amount of money involved, that the people of Canada, through this House, found out what happened and why. It is time we were told whether the government intends to take action against those responsible for the treasury incurring this additional expenditure of \$750,000. I believe we should be given this information now.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In May, 1970, as a result of a competitive tender, Hawker Siddeley Canada Limited, Halifax shipyards division, was awarded a contract for the half-life conversion and refit of two *Restigouche* class escorts, HMCS *Kootenay* and HMCS *Restigouche*. The value of the contract for known work was \$5,174,259. In addition, Treasury Board authorized an allowance of \$1,505,790 for design changes, thereby creating a total authorized budget of \$6,680,049 for both vessels.

After the contractor had completed performance trials, the Department of National Defence accepted *Restigouche* in January, 1972, and moved the vessel to the DND dockyard, Halifax, to undergo further planned alterations. During the course of the work, extensive corrosion was discovered in the turbo-driven, forced lubrication pumps as well as in the main engines, main boilers, superheater tubes and some auxiliary machinery. The preliminary investigation indicated the corrosion appeared to be related to the chemical cleaning of main boilers performed by Chemi-Solv, a sub-contractor of Halifax shipyards, during the conversion work.