

*Lockheed Contract*

certainly not today or this year. It is strange to read that a minister of the Crown would go to Europe and announce the position in the way he did by indicating that the money was in hand and that the planes would be rolling. Now, of course, it is an entirely different story. After December a period of doubt came along.

I asked the Minister of Supply and Services some time in December if he would give me a copy of the contract which it was expected would be signed that day. He said he would give it to me, but I did not receive it. They had the quietest non-signing I have ever heard of on January 4 when the officials from Lockheed flew up here from Burbank to sign the contract. There was deathless silence. In the words of the Minister of Supply and Services, there were "technical difficulties".

He asked me if I would hold up the motion I had placed on the order paper and said that in a few days he would give me the contract because they were just going to straighten out these technical difficulties. He said after the signing I could have the contract and everybody would be happy. But nothing happened for two or three weeks, and I asked again. He said that the technical difficulties had to do with the long-term financing. With deference to the minister, I believe he may have meant interim financing because the kind of financing we have heard about is not long-term in the generally accepted sense. I thought the Minister of Supply and Services was quite honest in saying that the problem was in respect of financing while the Minister of National Defence said the problem really involved the bribery scandal concerning Lockheed around the world.

The contract was not signed on January 4 and the bribery scandal did not begin until three weeks after that. At that time it became obvious that there was something besides the bribery scandal that kept the parties from signing this agreement. The minister then said there was a financing problem, but that they were about to settle it and that they had the assurance from Lockheed that it could handle the financing. Eventually, a few days ago, a letter was tabled from Mr. Heppe, the executive vice-president of government programs for Lockheed. I believe this correspondence is available to any member and I believe, also, to any member of the public. The Minister of National Defence claimed that Lockheed would find the money. He liked to quote one sentence; speaking about a loan by Lockheed. The sentence reads as follows:

We believe this approach has merit and after due consideration would receive a positive response.

What the minister refrained from saying at the time was that this involved a relatively small amount of \$27 million which Lockheed thought it would have to provide because Canada could not provide it, for a very short period of eight months which ended this April, and the fee for that would be \$800,000 which Canada would pay off in April. That letter was tabled, as was the response it occasioned. The letter which occasioned this response from Lockheed was signed by Mr. L. H. Stopforth, deputy project manager, also known as a very senior official in the Ministry of Supply and Services. We might recall that the Minister of Supply and Services did not know about the financial difficulty, and yet one of his immediate subordinates indicated that there was a financial difficulty.

[Mr. McKinnon.]

This matter continued to become more and more complex. I could easily go on for hours on this subject. I think this story is now of great interest to the people of Canada. It is a story of utmost confusion. We would like to examine the matter in order to determine where the fault lies. The Minister of Supply and Services admitted in the House two or three days ago that if this contract is not signed, the cost to Canada will be at least \$28 million even before the cost of the project team is considered. One billion dollars is a very serious matter and one which is really beyond the understanding of most people. If we had had public disclosure of these two letters from Lockheed about the small loan last summer, we would have told the government and there would have been no doubt in the minds of government members, if they were not smart enough to realize it themselves, that this in no way represented an offer to do the interim financing.

So, Mr. Speaker, I hope the government, in the interest of good government and in the interest of getting a good contract, will see its way to tabling these documents so that everyone can operate from the known facts and perhaps clear away some of the confusion which exists at least on the government side insofar as this contract is concerned.

**Mr. Les Benjamin (Regina-Lake Centre):** Mr. Speaker, I am willing to support the motion of the hon. member for the production of papers pertaining to LRPAs, Lockheed, and so on although my willingness may be for reasons different from his. I cannot understand why a government of Canada, of whatever political stripe, would conduct any kind of negotiations with an outfit like Lockheed, with the kind of reputation it has and the practices in which it has been engaged over the years. That is the first question the government has failed to answer. If the government of Canada were to deal with an individual or a Canadian corporation which carried on the same kind of practices, it would not likely happen. My view is that this whole deal would be forgotten by the government of Canada.

● (1720)

Even if it were to cost the \$28 million of which my good friend speaks, it seems to me that would be a lesser evil than to continue dealing with this kind of outfit, with the kind of practices and reputation that we now know they have and about which we have known for many months.

Let us speak about the aircraft itself. I find it interesting, in light of the questions and answers yesterday, and in fact I even agree with my leader—

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

**An hon. Member:** That is rare.

**Mr. Benjamin:**—who finds that the Minister of National Defence (Mr. Richardson) is preparing for the second world war. I thought maybe he was preparing for Custer's last stand. In the area of technology, in which I am not an expert, I understand that in Ottawa, at Bell's Corners, they have developed the next generation's communications and electronics technology for surveillance and detection, at which the U.S. defence department and others are looking with great interest with the likelihood that they will buy it. But the Minister of National Defence is going to pur-