

Adjournment Debate

approximately \$15 per square foot. However, if the government were to erect a new building, the cost would be approximately \$8 a square foot, or \$611,000 less in rent and interest charges per year.

● (2200)

In short, it is costing the government double in rent and interest charges to take the CAE building rather than leasing a new building in which case allowances could have been made for future expansion, saving millions of dollars over the years. Four other tax data centres are being planned for across Canada, and all I can hope is that the building negotiations are not being handled in the same way.

I would like to raise another two points. The construction of a new building would have been completed in a shorter period of time than it is taking to renovate the CAE building. The renovations are nowhere near completion, and I cannot foresee the government meeting its deadline of January 1, 1976, to start its decentralization program.

Is this another costly blunder similar to the move made by the federal government and Air Canada in having CAE overhaul the obsolete Viscounts which are still not air-worthy, in an effort to appease Manitobans at a cost of millions? These Viscounts are now just rotting at the Winnipeg airport.

Perhaps the Minister of National Defence (Mr. Richardson) can throw some light on this tax data centre deal with the CAE. Did he by any chance pressure the government to place the data centre in the CAE building so that he could say that he had obtained another contract for CAE and western Canada? If he did do this, this is not the type of under the table deals that Canadians want.

In an answer to my question on the order paper it was stated that the Metropolitan Estates Properties Corporation had submitted a tender to construct a new building but the government had turned down their offer. I hope that tonight the parliamentary secretary can inform the House what was in the Metropolitan Estates Properties Corporation submission, and also provide the Canadian public with a complete explanation of this whole transaction.

In closing, I would say that at least \$4 million to \$5 million of taxpayers' money could have been saved if a new leased building had been obtained in place of the temporary renting of the CAE building.

[Translation]

Mr. Alexandre Cyr (Parliamentary Secretary to Minister of Public Works): Madam Speaker, I carefully listened to the statement of the hon. member for Winnipeg South Centre (Mr. McKenzie) and I congratulate him as well as the hon. member for St. Boniface for their interest in the government project for greater Winnipeg. The Parliamentary Secretary to the President of the Privy Council (Mr. Blais) has already replied to the hon. member and I am advised that the Department of Public Works has no further information to give at the present time.

[English]

NATIONAL DEFENCE—EFFECT OF ANTI-INFLATION PROGRAM ON CHOICE OF LONG RANGE PATROL AIRCRAFT

Mr. Allan B. McKinnon (Victoria): Madam Speaker, I rise because of the unsatisfactory answer given to a question of mine last week, on October 16, when I inquired once again about the government's plans for purchasing long range patrol aircraft. At that time the Minister of National Defence (Mr. Richardson) said:

Mr. Speaker, major decisions on procurement are before the cabinet at present in the form of the forces structure review and when the decisions have been reached they will be announced in the usual way.

This is the same kind of answer we have been getting for several years.

If one does not buy any clothes for years, then one's entire wardrobe needs replacing. This is the situation with Canada's armed forces. Since the Prime Minister (Mr. Trudeau) came to power, no equipment replacement program has been initiated and brought to fruition. Now everything needs to be replaced—tanks, planes, and ships. The false economy of postponing expenditures is exemplified in the long range patrol aircraft replacement fiasco.

On March 17, 1969, Mr. Cadieux, then minister of national defence, said that a replacement for the Argus was "under active consideration". In the six years plus since then the pages of *Hansard* and the minutes of the Committee on External Affairs and National Defence are dotted with promises and assurances that progress was being made. This glacier-like progress eventually resulted in the present Minister of National Defence announcing that the choice was down to four companies, then in 1973 down to two.

This led to a "contract definition phase" in which, curiously enough, Canada was to pay Boeing and Lockheed something over \$11 million to make sales pitches to us for their product. The proposals were to include performance capabilities, technical specifications, production schedules, and costs of the aircraft, as well as the employment opportunities and industrial benefits which would accrue to Canada. In November of 1974 the minister stated unequivocally that the decision would be taken in April, May, or June 1975. The prices in the submissions would hold, provided the contract was signed by August 2, 1975.

It looked as if the government had finally been backed into a corner where a decision would have to be made, but one should never underestimate this government's ability to procrastinate, particularly in defence purchases. The questioning continued through the winter, and last spring we were assured that everything was going according to plan. Then, on July 25, the Department of National Defence issued a very short press release which repeated that the proposals had been narrowed down to two, and then stated that "as the decision cannot be made separately from the government's plan to restructure the Canadian air frame industry, the decision on the long range patrol aircraft has been deferred until later this year."

This is how \$11 million was wasted—to give the government two years to procrastinate. If any further evidence were needed to testify to the extinction of the contract definition plan, it was supplied by the minister's statement last week that Canada was now considering pur-