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Mr. Pat O'Brien

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• (1530)

[English]

The Chair (Mr. Pat O'Brien (London—Fanshawe, Lib.)): I would like to call to order the 15th meeting of the Standing Committee on National Defence and Veterans Affairs. This will be, as colleagues know, our final meeting of 2004, unless we see the need to meet tomorrow. I don't hear a lot of objection to that.

Of course, I'm very pleased today to welcome, as our guest and witness, a gentleman who is no stranger to the SCNDVA, former Minister of National Defence, Honourable David Collenette.

Welcome, Mr. Collenette. It's great to see you again looking so well. I'm sure we all watched with interest, and listened with interest—I know I did—to your remarks in one of your latest and very important efforts in your work in the Ukraine. So on behalf of all colleagues on both sides of the table, thanks, and congratulations to you and all those Canadians who did that good work. I know we're going to have Canadians doing more of that good work in the upcoming election in the Ukraine.

Just before I go to Mr. Collenette to make an opening statement, if he wishes, can we just do an approval of our budget for additional staff resources for this committee? You have it there in front of you, colleagues. It's as we discussed the other day. Could I have a motion to approve? Mrs. Hinton moved, seconded by Mr. Rota.

(Motion agreed to [See *Minutes of Proceedings*])

The Chair: We can now move forward and make sure we have the additional staff resources we're going to need for this study and the important defence review that's coming up in our other work. Thank you very much.

Again, I welcome the Honourable David Collenette, and I give you the opportunity, sir, to make any opening comments you wish.

First I see my friend, Monsieur Bachand, on a point of order.

Monsieur Bachand.

[Translation]

Mr. Claude Bachand (Saint-Jean, BQ): On a point of order, Mr. Chairman. Could we discuss the file supplied to us by DND on the deadlines and the agenda after we hear from Mr. Collenette?

The Chair: Yes, in camera.

Thank you, Mr. Bachand.

[English]

Mr. Collenette, over to you, thank you.

Hon. David Collenette (As Individual): Thank you very much. Mr. Chairman, ladies and gentlemen. I'm delighted to be back here this afternoon. I thank you for your kind words about the work in Ukraine. We're all pulling for a very fair election in that country on December 26.

I welcome the invitation to discuss the matter of Canada's purchase of submarines from the United Kingdom. To assist the committee, I propose to give a brief résumé of my recollection of the facts surrounding the acquisition.

In its 1993 manifesto for the election, called the “red book”, the Liberal Party promised to radically reduce defence expenditures and to review defence policy. As Minister of National Defence, one of my priorities was to conclude the policy review within a year of the election. After considerable parliamentary debate, consultation with interested Canadians, and cabinet discussions, the government released the defence white paper in December 1994, and this became official government policy. The policy continues to this day.

Among other things, the white paper set out a program of major defence equipment procurements, including helicopters, armoured personnel carriers, and submarines. It was one of my objectives to obtain for the Canadian Forces the best equipment available at the best price.

As honourable members know, the existing fleet of submarines built in the U.K. in the early 1960s, known as the Oberon class, were by 1993 well beyond their useful life. In fact, I was concerned about their operational deficiencies. In my view, they constituted a danger to the submariners who operated them. There had been heated debate during the previous ten years over continuing Canada's submarine capability. The Conservative government proposed, then withdrew, a plan to authorize the building of nuclear submarines.

As minister, I had to determine whether it was appropriate in the current geopolitical environment to maintain Canada's submarine capability. At that time the Cold War had ended. However, there was a terrible civil war in Yugoslavia and there were forces at play in Russia to revert to a harder military line. Therefore, one of the themes that permeated the white paper was the reality of a turbulent international environment that necessitated Canada's military continuing as a combat-capable force in the air, on the seas, and on land.

While many expressed the opinion that Canada did not need a submarine fleet, an equal number took the opposite view. Senior officers in the navy felt that if possible we should maintain the capability that, once lost, would be prohibitively expensive to re-establish. It was felt that submarines not only added a special dimension to naval warfare, but they were valuable as an intelligence gathering tool for incursions on sovereignty.

Indeed, I remember in 1995 that valuable intelligence was gathered on foreign overfishing in what became known colloquially as the turbot war. My officials had made me aware of the Ford diesel-electric submarines built in the late 1980s, early 1990s in the U.K., which had become surplus arising from the British decision to go to an all-nuclear fleet. Through informal contact between the two navies, Canadian military officials became convinced that Canada could acquire the four Upholder-class submarines at a favourable price. Canada could replenish its submarine fleet with well-made boats from one of our allies at about 20% of the cost it would take to build new ones. Subsequently, cabinet endorsed this position and this was reflected in the 1994 white paper.

Money for the major defence equipment purchases, including the submarines, was allocated to DND notwithstanding the further \$2.8 billion in cuts contained in the 1995 budget. However, the funding was spread over a number of years. The navy reallocated its budget by phasing out older ships and cancelling Oberon refits to free up money for the Upholders. In 1995 I presented to cabinet a proposal for purchasing helicopters, armoured personnel carriers, and submarines.

While there was consensus on the need for this equipment, there were concerns about timing. This was particularly true as it related to submarines. Prime Minister Chrétien had always been a strong supporter of the submarine proposal, but he worried about the timing of an announcement when so many sectors of Canadian society had borne the brunt of deficit cutting. In addition, we all knew that the British were really quite keen to sell to Canada as opposed to other suitors, because of the historic close ties between the two countries, and in particular the close ties between the two navies. Therefore, a better deal could be negotiated. This turned out to be right in that the British reduced their original price of about \$800 million to \$750 million.

In order to deal with concerns of announcing an outlay of so much money during difficult times, the notion of foregoing annual payments by the U.K. for military training at CFB Suffield and CFB Goose Bay in return for the purchase of the submarines was put forward by DND officials.

●(1535)

Meanwhile, the Americans were supportive of Canada maintaining a submarine fleet. They informed us that if we bought the Upholders, then the U.S. would purchase diesel-electric training for its submariners at a value of \$300 million over four or five years.

Some of the military argued that the training deal with the Americans, combined with the barter strategy, would actually turn the purchase into a cash-positive exercise. I presented this option to colleagues in one of my cabinet updates. I believe I discussed this publicly with this committee and then in public interviews in front of the media.

However, the downside to the strategy of prudence, while officials did their due diligence and the political climate improved, was that the boats were left idle for a further three years. It could be argued that this created more challenges in making the submarines fully operational, not to mention the additional cost this would incur.

In conclusion, I wish to state that I stand by the policy rationale for acquiring the four Upholder submarines. As to their operational capability and state of preparedness, obviously ministers had to rely on the professional opinion of our military leadership. Our submariners are highly experienced and highly respected within NATO. I have no reason to believe their advice was flawed while I was minister. I would be surprised if that were the case in later years.

Thank you, Mr. Chairman. I'd be pleased to answer your questions.

The Chair: Thank you very much, Mr. Collette.

Now, colleagues, we'll have a question and answer round, a first round of seven minutes.

We'll start with Mr. O'Connor, please.

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Minister, welcome. It's good to have somebody here who's had extensive experience in a defence department.

We had been told by one or more witnesses that there may have been a written document, an MOU or something, between Canada and the United States early on in the process, some indication that we intended to purchase these submarines. Are you aware of such a document?

Hon. David Collette: Not an MOU. There were discussions between the two militaries, and as I've mentioned in my statement, this did come forward as a possible option, but there was no MOU.

I do believe there was reference to this in a letter to Mr. Young, who succeeded me, from the Secretary of Defense at the time, but there was never any formal discussion of this between me and my colleague at the time, William Perry, who was Secretary of Defense.

The Chair: Just for accuracy, Mr. O'Connor, I think you said "United States" but meant "United Kingdom," correct?

Mr. Gordon O'Connor: Sorry, yes, the United Kingdom.

The Chair: Okay.

Hon. David Collette: I thought you were talking about the \$300 million, what I referred to in my statement about the training.

In terms of the U.K., no, there was no MOU. I do remember Malcolm Rifkind and then Michael Portillo sort of grabbing me every time I turned up at a NATO meeting. We had a lot in those days because of the war in Bosnia. They always raised the issue of the subs.

They were quite anxious, because they had a couple of other countries—Chile and South Africa, I think—that wanted the subs. They really wanted to sell to us for the reasons I mentioned, but there was never an MOU. There was nothing formal.

• (1540)

Mr. Gordon O'Connor: Okay.

Another item that we'd been told, and you see it in the newspapers and hear it on the radio, was that one of the financing methods we were looking at—that is, Canada—was to offset the war debt from the U.K. Are you aware of that?

Hon. David Collette: No, not at all.

Mr. Gordon O'Connor: No. Okay.

Hon. David Collette: You mean the Second World War debt?

Mr. Gordon O'Connor: Yes.

Hon. David Collette: I thought that was cleared up a long time ago.

Mr. Gordon O'Connor: Apparently it's still going on.

In your statement that we've just heard, you said—I'm paraphrasing—that the delay of the extra three years, or however many years you want to talk about, may have caused additional problems in the submarines, leaving them in the salt water for that many years.

I would suggest that perhaps beyond just the technical problems, one of the other problems it created was in regard to the professionalism within the submarine service—that is, the submariners could not maintain their skills because they couldn't go to sea; they didn't have boats to go to sea. This delay of extra years meant they couldn't maintain their edge and couldn't maintain their numbers. Do you have a sense that may have been one of the consequences of delaying?

Hon. David Collette: Not totally, because I believe the Oberons were technically operational, although it was well known in the military and elsewhere that they had a diving problem in later years, which is not very good for a submarine. They were in Halifax quite frequently for repairs. But I do believe they were able to be used. As I mentioned, in 1995 we used intelligence from one of our Oberon submarines on the Spanish fleet during the so-called turbocrisis.

Mr. Gordon O'Connor: Given the financial crunch that you've described during your time as minister, was the navy faced with basically the choice that they either acquire these used submarines from the U.K. or they don't get any submarines? Was that basically their choice?

Hon. David Collette: Well, yes. You see, in the white paper we'd had this debate. In fact, I think we had a joint committee of the Senate and the House that actually dealt with defence policy at the time, and they issued a report. I'm not sure that the committee actually was in favour of continuing the submarine capability, but

certainly this was an issue that was divisive and one where there was a certain difference of opinion.

We felt there was no way that Canada was going to build new submarines. The Conservatives had gone down that route and it had become quite a political hot potato for them in the late 1980s when the Mulroney government faced this. I think Mr. Beatty was the Minister of Defence at the time. That was for nuclear subs. Then to build conventional subs, when you didn't have the capability.... At least the British had the capability to build submarines. They've been building them on and off since the First World War, I guess, or thereabouts.

The Australians have taken, someone said the other day, 17 years to get their submarines built. So it seemed that to build new ones was really not on. So we knew these four were there, and we had every reason to believe they were operationally good, technically good. We had our submariners examine them. I made one visit to Yarrow where they were being built at Vickers and got a full briefing. There was nothing that led us to believe there was anything wrong. But the problem, as I stated and you mentioned, was that there was a three-year delay in the decision. When I was there, two of the boats were in the water and the other two were up in dry dock.

The salt water and the atmosphere, the damp climate, is very corrosive on submarines. Submarines are very delicate instruments. It's not like just taking a surface airplane and parking it in the Arizona desert where it can be easily reactivated when you need it.

Mr. Gordon O'Connor: Did your government come under any pressure from the U.K. and the U.S. government to acquire these submarines?

• (1545)

Hon. David Collette: Not the U.S. In fact, I don't remember any discussions with William Perry, the Secretary of Defense at the time.

As I said, both the British ministers that I dealt with, Malcolm Rifkind and Michael Portillo, were quite anxious and they always raised it. I believe Mr. Major raised it with Mr. Chrétien on a couple of occasions. At the end—by then I wasn't minister—I think they were getting a little frustrated and were looking at other potential buyers.

The Chair: Thank you very much, Mr. O'Connor.

[*Translation*]

You have seven minutes, Mr. Bachand.

Mr. Claude Bachand: Thank you, Mr. Chairman.

I too would like to welcome our former colleague. We're pleased to have him shed some light on our inquiry.

When did you serve as Minister of National Defence, Mr. Collette?

Hon. David Collette: I was Minister from 1993 to 1996.

Mr. Claude Bachand: Witnesses have told us that Cabinet gave the green light for negotiations to begin in 1995. Is that in fact the case?

Hon. David Collette: Yes. I believe negotiations began in the spring of that year.

Mr. Claude Bachand: That's when the talks got under way?

Hon. David Collette: No. There was an agreement in principle in place to purchase the submarines. However, everyone felt that the time wasn't right to purchase these vessels because of the sizeable deficit and the government-wide budget cutbacks. The Prime Minister had the final word on this matter and he reflected on his decision for three years.

Mr. Claude Bachand: However, Cabinet gave the green light for negotiations to begin in 1995. As Defence Minister, no doubt you assigned people to conduct these negotiations, to weigh the situation and to determine how much the British wanted for their submarines. No doubt you initiated these negotiations, if you had Cabinet's approval.

Hon. David Collette: It wasn't a matter of having Cabinet's permission to negotiate, but rather a matter of initiating talks. I was encouraged to continue my discussions with the British, but the final decision on whether or not to purchase the submarines was the Prime Minister's to make. I recall a conversation that I had with Mr. Chrétien that year. I was convinced that he was going to decide to go ahead with the acquisition and to give me the green light. However, after meeting with his team in the PMO's office and with others, he decided that from a political standpoint, the timing was wrong.

Mr. Claude Bachand: You say that it wasn't the right time, given the cutbacks to our armed forces. I believe our troops were also involved in many more peacekeeping missions and that the government wanted to focus more on peacekeeping and on better equipping our land forces. Correct?

Hon. David Collette: Yes, but as I said, according to the 1994 White Paper, the government was committed to the principle of retaining submarines for the Canadian Forces.

Mr. Claude Bachand: It might be interesting, Mr. Chairman, to ask the former Prime Minister to testify before the committee. According to the documents in my possession, the decision to purchase the submarines was made by Cabinet. It most likely came to this decision because the Prime Minister had strongly recommended it do so. Perhaps we could revisit the matter and see if Mr. Chrétien is interested in appearing before the committee.

Mr. Collette, were you aware of the state of disrepair of the submarines? I don't know if you read the testimony of Mr. O'Keefe, a former submariner. He did not mince words about the condition of the submarines. He compared them to medieval dungeons or to pieces of Swiss cheese. He reported that parts of the submarines were missing. Were you aware that the submarines were in such a sorry state?

• (1550)

Hon. David Collette: We were advised by Canadian naval experts that the submarines were a real bargain for Canada and that they were very efficient vessels. I have not read the testimony of the submariner you spoke of. Perhaps he was talking about the condition of the Chicoutimi after a few years. All of the experts attested to the fact that these were sound vessels. Some repairs were necessary but we were told that once the retrofitting operations were completed, the vessels would be quite capable of meeting the needs of our navy.

Mr. Claude Bachand: Then the Navy was also recommending the purchase. Have you read the book penned by your colleague

Sheila Copps? I believe you were serving in Cabinet at the time. You were Minister of Defence until 1996, but you continued to serve in Cabinet until 2003. Ms. Copps seemed to be saying that it was very important to come to some kind of barter arrangement precisely because of the point you just mentioned, namely that the government did not have the financial means to pay for the submarines outright. She claimed that what prompted Cabinet the most to make this decision was the opportunity to exchange services. British troops would have a chance to come to our bases, in exchange for Canada acquiring the submarines. Have you read her book? Would you like a copy for Christmas? I've offered to give the same gift to Mr. Eggleton.

Hon. David Collette: How very kind of you, Mr. Bachand. No, I haven't read the book. As I said, this opportunity was discussed by the military. What was their motivation? I'm not convinced that this was a sound strategy. I believe Mr. Eggleton discussed this strategy when he testified before the committee.

Mr. Claude Bachand: We were surprised to finally learn that no exchange had in fact taken place. Mr. Alan Williams, whom I'm certain you're acquainted with, testified that a deposit was made monthly to a Scotiabank account. That seems very plausible to me. If we didn't have the money to buy the submarines outright and that instead, we were offered the option of a trade for services, it seems to me that this was the course of action to pursue. We're a little surprised to learn that this arrangement was never in fact put in place. Do you have idea why? You were still in Cabinet at the time. I'm not asking you to divulge any Cabinet secrets, but can you tell me why this arrangement fell through, in your opinion?

Hon. David Collette: I left this portfolio in October of 1996. Mr. Young, and later Mr. Eggleton, pursued the negotiations.

[English]

No one's going to be fooled. Even if we did the barter arrangement, we were still paying for them. There were some procedural issues that I think came into play with the Department of Finance, because all moneys from the sale of services at Goose Bay and Suffield go into the CRF. They don't go back to the department unless it's actually specified and some authority is given. That's why the navy were ultimately told, "If you really want them you've got to rationalize expenditures within your own naval envelope." They did that by cancelling some refits and then phasing out some older ships that were on reserve that weren't really used much.

The Chair: I think we may have to start calling Monsieur Bachand "Père Noël de St-Jean". He's offering to buy everybody books these days—everyone but the chairman. I don't know. Anyway, thank you very much.

Now we'll move to Mr. Blaikie, please, for seven minutes.

Hon. Bill Blaikie (Elmwood—Transcona, NDP): Mr. Chairman, I too would like to extend a welcome to the former minister and a colleague of many years. It's good to have you back on the Hill.

There was one thing you mentioned—correct me if I'm wrong, Mr. Chairman—that I'm not sure came up before. It always seems that the more witnesses we get, the more things come up that we haven't heard about before. What you mentioned that falls into that category perhaps is the idea that although you said the Americans weren't pressuring us, they did indicate that if we bought the submarines they might be willing to train some of their own people on diesel-electric submariner training to the tune of about \$300 million.

Do you know if that ever came about? Was that ever signed, sealed, and delivered? Is that something that waits upon the operational status of the four submarines, or is it something that has taken place to some degree? I know this would have happened after you...but was there actually an agreement with the Americans to that effect? If there was, do you have any idea where it's at now?

• (1555)

Hon. David Collette: I don't think there was, Mr. Chairman. I wouldn't have known about that. I know there were discussions between our senior officers and senior officers in Washington, where this came up. I don't know what precipitated those discussions. Obviously the Americans were always happy to see us acquire new equipment, so they would have been happy that we got the submarines.

Hon. Bill Blaikie: But as far as you know there never actually was an agreement to do American training on Canadian submarines, pursuant to those being delivered?

Hon. David Collette: I'm unaware of any agreement. That doesn't mean to say one didn't occur, but—

Hon. Bill Blaikie: So there was a discussion about that, but as far as you know that never sort of panned out.

Hon. David Collette: Right. The current minister could probably tell you.

Hon. Bill Blaikie: You said at one point that you had every reason to believe they were good, and you were dependent upon the advice of naval officials at that time. I think that's a fair comment. I think we'd all be in the same position basically.

But there was political evidence to the contrary, in the sense that there had been one report in particular from the committee of the Parliament of the United Kingdom that had expressed concerns about either the *HMS Upholder*, which eventually became the *Chicoutimi*, or the whole class of Upholder submarines. I'm not sure exactly which it was.

Did people say, we recommend these submarines, but you should also be aware that there has been some criticism of them? Were you aware of the critique of these submarines? I guess that's what I'm saying.

Hon. David Collette: I don't remember any real negatives about the submarines, when we discussed them in early days, in preparation of the white paper. A gentleman, I think his name was MacDonald, who was head of the submariner unit at National Defence told us that these were pretty sound boats; obviously they would have to be checked further before we bought them. But there was never any indication that the British had not proceeded with the Upholders because for some reason they were technically inferior, if that's what you're getting at.

Hon. Bill Blaikie: No, I'm not suggesting that. I think they did get rid of them because they wanted to go nuclear. There were reports. There was this one particular report of a parliamentary committee, which I think was about 1991. It would have been there when you were considering this.

I wondered, are you completely dependent on the navy in these kinds of situations, or do you have somebody at the High Commission saying, see what you can find out about these submarines somewhere else, like on the political record, either with the defence committee at Westminster and other places where you can sometimes learn things that maybe one navy doesn't pass on to the other navy, or that is known only between navies and doesn't make it to the political realm? Is there an effort made to try to gather intelligence, if you like, more broadly?

Hon. David Collette: Intelligence is gathered, obviously, through the military. In the case of the U.K., we had a military attaché, a two-star general in London at the time, who would have obviously been privy to the facts surrounding the file. Had there been any real political issue, the High Commissioner would have advised the Minister of Foreign Affairs. That would have come up through the normal channels.

But there was no evidence, as far as I was concerned, that there was a problem with these submarines. That's what made it attractive, the fact that we had bought the submarines from the U.K. in the sixties, that we had this operational familiarity with the British, and we were pretty convinced that they were good boats.

I know what you mean. As ministers you phone up your friends and say, is this a good move if we do this? You seek other input. But that's pretty tough to do in the case of something so highly specific as submarines. I wouldn't have known who to call to get a third-party opinion.

• (1600)

Hon. Bill Blaikie: We've heard over and over again, certainly from the people who are involved in the political process, that to some degree there was a desire to purchase the submarines, but there was an inability to purchase them on time, if you like, because of the political situation. It could be that the delay contributed to some problems. It may have contributed to problems that ultimately led to the event on the *Chicoutimi*, or maybe not. We don't know that because we don't know what the board of inquiry is going to say. So I'm not trying to go there.

But I am trying to say that it's very interesting, Mr. Chairman, that it's a statement about politics in general. It's not a statement about Liberal politics, or Conservative politics, or NDP politics, or Bloc politics. It's a question about politics in general.

Here we have, let's say, pretty clearly a government that thinks it needs submarines, that has identified the submarines it needs, that knows that to delay the purchasing of those submarines entails problems, and yet can't buy them because of the political perception.

What I'm trying to say is, was it entirely a political perception or was it a fact...? When you say that the Prime Minister thought we just couldn't spend that kind of money at the time when we were making these demands on Canadians, was the money not there, or was the money there but it would have been bad politics to spend it, or would the money have had to have come from some other element of a defence budget that was already strained?

Hon. David Collette: My recollection is that we booked the money. We had some tough discussions with the Minister of Finance, who's the current Prime Minister, and his deputy—my deputy at the time was Robert Fowler, he had David Dodge as his deputy—about the nature and the depth of the cuts in the 1995 budget. I felt, and the military felt, that we needed new equipment and that we had to protect within the budget over the five-year period, notwithstanding the cuts, the ability to acquire the helicopters, the APCs, and the subs.

Hon. Bill Blaikie: So the money for the subs was there. It was basically the political problem that would have been created had they been bought right at that point.

Hon. David Collette: We—I'm not going to say "we", I'm not in it any more—were all in politics. You have to use your political judgment as to whether or not Canadians would have accepted to lay out that kind of money to make that commitment in 1995 when the health care system was being cut, and other social services, as well as the military budget. That's a political judgment. I think that was quite fair.

The Chair: I appreciate that. That's great. We're over time, though. All of us who were here at the time remember the climate. As a former minister in 1995 it wasn't a real fun time in terms of the pain we had to deal out.

We come over now to the government side, and the first member is Mr. Bagnell for seven minutes, please.

Hon. Larry Bagnell (Yukon, Lib.): Thank you, Mr. Chairman. Before I ask my question I want to make sure you weren't under any misunderstanding about any of the witnesses. There were no witnesses before, when you weren't here, who came to us and said submarines that we received were in pitiful condition. We verified things after with other witnesses and that certainly was not the case.

Related to the American training, I wouldn't be surprised that there was some involvement because when we Canadianized the boats we got American torpedoes.

I'm going to ask one long question, so you might have to write. Now that we're near the end of our hearings, I've asked this question of several other witnesses. I want to confirm a long list of things, so if there's something you disagree with in this list, just let me know. It's the summary of what a majority of the witnesses told us and what we pieced together from various witnesses.

First, all major coastal nations need subs as a complement to their navy, or should have them, partly to defend their coastlines. So it's always in our long-term plans to keep that as part of our navy. An opportunity arose to economically replace Oberon subs, so we took it. At the time these submarines were state of the art in the world. We paid, give or take, an amount of about 20¢ on the dollar, or roughly \$800 million for about \$4 billion or \$5 billion worth of submarines.

So it was an excellent purchase, regardless of the financial situation of the country.

Part of the deal was that the British government would refit them and take care of any damage that was left from the mothballing, or any other reason, so that we got subs in good working order. And in fact Canadians were on those sea trials after they were refitted. We got subs in excellent shape and our sailors were on board to approve that. The crews were fully trained. We have state-of-the-art simulators that we purchased or received as part of the deal. The crew members I talked to were quite appreciative of the training and their environment.

From what you know from when you were in the role, or have heard from any other sources, is there anything in that list you would disagree with?

• (1605)

Hon. David Collette: No, I think that's quite accurate.

Hon. Larry Bagnell: Given that you then confirmed that countries with coastlines should have submarines as an important part of the navy complement to protect them, how come during your term we never purchased any submarines that could go under the ice or any other military naval assets that could deal with the largest part of Canada's coastline, which is in the Arctic?

Hon. David Collette: That's a very good question, Mr. Chairman. In fact, I remember discussions when we talked about the Upholders as to whether or not they could be refitted with equipment to operate under the ice. I was told that there was equipment that could be purchased at a later date so that these particular boats could operate under the Arctic waters. But this is something that you would have to ask perhaps someone from the navy about. It's a technical issue.

From my point of view, I really wanted to get the government to make a decision to buy the subs in the basic sense so that they could deal with most of our coastline. I didn't want to open up another front by arguing for more money to have the capability to go under the ice.

Hon. Larry Bagnell: A majority of our coastline is in the Arctic. But I wasn't limiting it just to the subs; it goes to your role as minister to defend that part of the coastline with naval assets, not necessarily subs. If that wasn't going to work, we could have had surface ships that could go on the ice. That would be another option.

Hon. David Collette: I think it's fair to say that Canada, by and large, took the sovereignty over the north for granted until recent times. There was an exercise, I understand, this summer to have the military in the north. We had the Canadian Rangers, who did a great job, and of course we had the intelligence station at Alert for many years doing decoding of messages from the Soviets and all the rest. That obviously contributed to protection of the north.

Going a little away from the subs, I would say that it should be a priority of governments going forward to have a greater military presence in the north to maintain our own sovereignty.

Hon. Larry Bagnell: I have one minute.

This is my last question. At any time did you hear of any unrectified problems related to these submarines? We've confirmed that they were in good shape. They were state of the art. We had good training and everything, but were there any problems that came up that were unfixable, or not dealt with, at the time you're aware of before they went to sea with our sailors?

Hon. David Collette: Of course, there was no decision to actually purchase them while I was there. There was a decision that, yes, we would like them, and the cabinet basically left the final decision to the Prime Minister. I don't know about any technical issues after I left as Minister of Defence. I was unaware of any discussion about that.

•(1610)

The Chair: That completes the first round of seven minutes.

You are well aware of the drill here, Mr. Collette. We go to a second round now. It will be five minutes, starting with Mr. MacKenzie, please.

Mr. Dave MacKenzie (Oxford, CPC): Mr. Collette, when you left you would still have been under the impression that this barter deal was on the table.

Hon. David Collette: Yes, it was still put on the table, but of course there were just informal discussions. They weren't formal negotiations during my time with the British. That occurred after I left.

Mr. Dave MacKenzie: When the submarine purchase was announced, the barter deal was part of the press release and part of the discussions. Would that have been to make it more palatable in the context of some of the other cuts, that this was not money, it was a barter?

Hon. David Collette: I suppose there was an element of politics to it, but I understand there might have been some accounting issues with that degree of cash. I'm not really qualified to answer that. The fact is the British weren't going to let us have them for nothing. They felt they were being taken to the cleaners, if you will, by the purchase price that we got them for. They felt that we got an incredibly good deal and they weren't going to take any less.

I was in another portfolio and I don't remember all the ins and outs of the announcement and what the final deal was.

Mr. Dave MacKenzie: You mentioned a \$300 million offer of some sort from the Americans for training. Would you be surprised if that in fact was a signed deal and we now had it?

Hon. David Collette: I just don't know what happened to that. I know that did come up in my briefings with the Chief of Defence Staff, and it seemed that this would actually be quite positive from a sales point of view to sell to the Canadian public and say, all right, many of you don't like the submarines, notwithstanding the rationale we just heard to defend our long coastline, but by the way, we're going to be compensated by the Americans over a number of years to train their crews, so we're going to actually make some money out of it and get the submarines to do the job they should be doing for the navy.

Mr. Dave MacKenzie: On the flip side of that, would you be surprised that we hadn't followed up on it if we didn't?

Hon. David Collette: I don't know. The Americans are obviously pretty good at looking after their own self-interest. Yes, they were happy with our commitment for new equipment, and if they felt this was cost efficient from their point of view that we could give training and they could save some money.... Not many people realize that the defence cuts we went through in 1994-95 served as the template for the defence cuts in Washington. Bill Perry, who was my counterpart, and his officials worked closely with us and the embassy in Washington, and they used a lot of our various models, if you will, for cutting expenditures. It strikes me that the rationale was if it was good in tough times when they were trying to deal with their deficit, as Mr. Clinton was in the early years, then the rationale would still be there, but I don't know whether or not a deal was actually done.

Mr. Dave MacKenzie: I think Mr. Blaikie was referring to two Westminster parliamentary committee reports in 1991 that listed some defects with these particular submarines. Are you familiar with those two reports?

Hon. David Collette: I don't remember specifically those discussions.

Mr. Dave MacKenzie: When we first got involved in looking at these submarines, would it have been during your time? Did the process begin then, in your opinion?

Hon. David Collette: Well, yes. You see, as I mentioned in my statement, we said we would rethink defence policy, and we came forward with the white paper. And when I was briefed by the department I was told by the deputy minister that these four submarines were available, that we could probably get them at a good price, and that this was really the only hope if we were to maintain the capability.

Obviously, it was a moot point if we hadn't wanted to keep the capability. Personally, I felt—and I still feel—that it is the right policy decision for Canada, which has the world's longest navigable coastline, to have a varied capability in the naval force. I think once all the bugs are ironed out, these submarines will turn out to be valuable acquisitions.

•(1615)

Mr. Dave MacKenzie: Would you be surprised to hear that former Assistant Deputy Minister Sturgeon told us that he was sent to look at the submarines during the previous government's time?

Hon. David Collette: That may very well have been the case.

Mr. Dave MacKenzie: But you didn't have any information about it. That's all I'm asking.

Hon. David Collette: No, but he was the ADM of materiel when I was there. He sort of schlepped for the two governments, so I guess that's where the intelligence came from. I know that he was keen, and Mr. Fowler, the deputy minister, was keen. When General de Chastelain came back, he supported the navy. I think Admiral Murray was head of the navy at the time. Peter Cairns, head of the Shipbuilding Association of Canada, would know. In terms of the navy, these are the two heads I dealt with at the time.

Mr. Dave MacKenzie: Thank you.

The Chair: Thank you, Mr. MacKenzie.

Now we go to the alternating format.

Mr. Martin, please, for five minutes.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Thank you.

Thank you, Mr. Collenette, for being here. It's great to see you back on the Hill.

What we've heard here and in the testimony over the last several weeks is that these subs were good value. They provided us with an extraordinary operational capability for the reason you mentioned. They were a good deal, a wise use of the taxpayers' money. The training was there for the submariners. They had good training for the subs.

All in all, we've heard that this was a very wise use of the limited taxpayers' money that gave our military an operational platform that we desperately needed. Would you agree with that?

Hon. David Collenette: Yes.

Hon. Keith Martin: Would it also be fair to say, and I just remind those here that the 1994—I'm so glad the opposition is agreeing with us; this is great. In the 1994 joint committee on defence policy, all parties unanimously suggested that we purchase submarines.

My question is, of all the submarine options that were available out there—and there were a few—why was this the best option to choose?

Hon. David Collenette: Well, Mr. Chairman, there were no other options. The fact is, aside from secondhand, rusting Soviet subs up in the Bering Sea, I don't think any other subs were available, and obviously we wouldn't want those. Really, there were two options. We either bought those and continued our capability or we got out of the submarine business.

Hon. Keith Martin: And getting out of the submarine business would not be an enticing option for a country such as ours.

Hon. David Collenette: I just think it's good policy to have a varied capability in all services, but particularly when you're dealing with the seas. The submarines have an ability to operate when the surface ships don't. Not only can they actually provide devastating firepower in a conflict, sneaking up on enemy ships—hopefully we won't go through that—but they provide valuable intelligence.

Hon. Keith Martin: As the representative of a west coast riding, one that has CFB Esquimalt, I know that the people who work there and the people I represent are extremely happy over the purchase of the subs. We look forward to having them up and running on our west coast.

Hon. David Collenette: I should say, Mr. Chairman, that the fact that we were getting four...I think there were three Oberons left. The fact that we purchased four allowed us, for the first time, to station a submarine on the west coast. That was the plan. Obviously there has been some problem in terms of bringing all of these on stream, but the plan was to have three based in Halifax and one based in Esquimalt.

Hon. Keith Martin: Also, as I understand it, the cost to operate an Upholder submarine on a yearly basis is less than the cost of a frigate or the Oberons.

Hon. David Collenette: Well, there's no question that it's less than the Oberons, but I think you're right. Once you have them operating properly, they are a very cost-effective way to maintain a naval capacity.

Hon. Keith Martin: Did you have any concerns at all from any of the engineers in the time preceding this purchase, any notes or information from any of our engineers, to suggest that these submarines would be anything less than a very good addition to our navy?

• (1620)

Hon. David Collenette: No, there were no brown envelopes coming to me on that. I had loads of them on other subjects in the military, I think on a daily basis, but I don't remember any contrary opinion coming forward from other sources on the submarines.

Hon. Keith Martin: I think the cost issue, in terms of the operational costs of the submarines, is worth repeating. With our limited resources, having something that has such a broad range of capabilities for our navy, our military, and our coast—and for our relationships with our neighbours—at an operational cost that is actually far less than some of our other platforms, is a good use of the taxpayers' money for what we get.

Hon. David Collenette: I always thought so. I'm sorry there have been some problems getting these boats into top shape. It's not surprising, given the length of time it's been since they were constructed. As I said, once the bugs are ironed out, I think they'll give good service to the Canadian Navy.

Hon. Keith Martin: Okay, thank you.

The Chair: Thank you, Mr. Martin.

[*Translation*]

Go ahead, Mr. Perron. You have five minutes.

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Good day, Mr. Collenette. Thank you for being here.

I was just wondering about some of the terminology you used in your presentation. You stated that you believed that the vessels were sound. You used the word “believe” frequently. Did you know for certain whether or not that was the case? I realize that you had to rely on what Navy officials were telling you.

Hon. David Collenette: That's a fact, because I'm not an expert on submarines. My officials advised me and I believe there are documents—if the committee wants, we can find them—containing sound advice about these vessels.

Mr. Gilles-A. Perron: You stated that these submarines could be outfitted to sail across the Atlantic and under the polar cap. One senior Navy official told us that even today, that wouldn't be possible. Who is telling the truth? We were told this directly by someone in Halifax, not by some Joe Blow ranting to the committee about submarines.

[English]

Hon. David Collette: Well, Mr. Chairman, my memory may be as rusty as perhaps one or two of the submarines. I remember there were discussions about capability under the ice. My memory tells me I was informed that there was technology that could be deployed on these boats to have them operate under the ice. I may be wrong. In fact, I'm just going from memory here.

[Translation]

Mr. Gilles-A. Perron: My memory may not be good, but my recollection of the event is as clear as yours. At one of the very first meetings of our committee, senior Navy officials informed us that the submarines could be retrofitted to allow for navigation in Arctic waters. Several weeks later, when we visited Halifax, a senior Navy official admitted to us that these submarines would never be capable of navigating under the polar cap because they couldn't be retrofitted. Who is telling the truth? I get the feeling our Canadian Forces are saying whatever they want. Do you agree with my assessment? I get the impression that they're trying to put one over on us, that they're saying: believe it or not, that's the way we do it. Do you get the same impression?

[English]

Hon. David Collette: What Mr. Perron is saying is I think he's alleging that basically the military will tell you anything it wants you to hear, and you believe it or not. I have to admit that during my three years I had a lot of challenges and I had a lot of conflicting advice, and sometimes that was demonstrated on the floor of the House of Commons or in scrums because I'd have to change my tune.

All I can say is if you're a minister you have to rely on the advice of your officials. You can ask questions—and I asked a lot of question. I was a real pain, if you will, at briefings on many occasions. I would not take an automatic answer or a no from the military on something I would probe. But I believe in the integrity of the individuals. I got to know the senior officers, especially in the navy, on this particular issue, and if they had felt it would have made more sense for the naval capability to not have the submarines and put the money into conventional ships—for example, the supply ships need replacing and the destroyers need either replacing or refitting—then they would have made that choice. It's not something romantic about having submarines, such as my friends have submarines, therefore I have to have a submarine to play around with. This is serious business.

Also, we were dealing in an environment that was very difficult. We actually felt at the time that we weren't sure the Russian government would maintain itself as a reformist government toward democracy and there would be some reversion to a hard-line status as we had in the Soviet Union. There were forces at play in Russia at the time, domestically, both within the military and I believe in the secret police, that wanted to revert to the old ways.

When we came up with the policy, we felt we owed it to Canadians to have the most prepared military to deal with potential hostilities. It hasn't worked out that way, and the kind of instability that we have around the world is of a different dimension. Still, that doesn't undermine the rationale for these submarines.

• (1625)

[Translation]

Mr. Gilles-A. Perron: Personally, I have a theory: some arm twisting may have taken place on the part of the British government and British Navy in an attempt to convince Canada to purchase the used submarines.

In your presentation, you hinted that each time you met with British Defence ministers, they asked when Canada intended to purchase the submarines. Or, have I misunderstood you?

[English]

Hon. David Collette: That's right. Both Mr. Rifkind and Mr. Portillo were very anxious that we buy these submarines, because they had other problems. I believe Chile and South Africa, both with long coastlines, wanted these boats as well. The British felt they would rather sell them to us for the reasons I mentioned, but we couldn't string them along forever.

I don't know the circumstances surrounding the actual commitment that was made in 1998. I remember Mr. Eggleton coming to cabinet, and the decision was made to actually announce the purchase of these submarines. But I don't know at the time whether or not the British said if we didn't give them an answer within 30 days, they would sell them to someone else.

I used the words “strung them along”. It's colloquial, and perhaps it's not the best, but we had kept them waiting for three years, and of course they were anxious. They had an obligation to their taxpayers too. They had these four boats, constructed at enormous cost, that were basically sitting idle, and they knew that the longer they sat there the more of a challenge it would be to get them operational, and that would add to the cost. They obviously wanted to sell them.

The Chair: Merci, Monsieur Perron.

Maybe I'll just ask a quick question before I go to Mr. Bagnell again.

Mr. Collette, we've had some conflicting testimony from past ministers about how important the so-called barter was to the acceptability of this deal. Now, I know you were no longer Minister of National Defence, but you were in cabinet. What's your best recollection of how important that was as a sales pitch—if I can use a colloquialism—to cabinet for the acceptability of this deal?

• (1630)

Hon. David Collette: It was just an option. I remember it was one of the options I put forward, as I said, when I went for one of my updates post-spring of 1995; I don't remember when. I just put it on the table. I was duty-bound to say, look, here's a way we could do it. But frankly, no one was going to be fooled. If it was a barter arrangement, we would be forgoing revenue we would have gotten from the British. There was a currency exchange issue, which I think was resolved in the eventual sale, where currency fluctuations were dealt with.

That idea came from military officials who were anxious to get these acquired and wanted to be helpful to the minister. They said, here's a way you can sell it politically. Well, their political judgment wasn't the same as mine; I think people would have seen through that.

I think what was more important was, if we could have—I don't know if we did—made a deal with the Americans and actually come out with a revenue stream over a period of time for training their submariners on diesel-electrics, the public would have embraced that. But I don't know where that went.

The Chair: Thank you for that.

Is it your recollection that defence ministers subsequent to you attempted to sell this to other cabinets that had to make this decision? Did they use the barter as a means of trying to persuade cabinet it was a good deal?

Hon. David Collette: I don't think it was the be-all and the end-all. I think it was the same as when I introduced it. This was an option. I think Mr. Eggleton talked about this when he made the announcement, but for some reason it didn't happen. It wasn't a case of, "This is the way" or "Have I got a deal for you". It was an option, and I don't think most people really felt strongly about that.

The Chair: Thank you.

We've heard some conflicting views on that, and other colleagues have pursued it. I'll leave it there.

Now I'm going to go over again to Mr. Bagnell for five minutes.

Hon. Larry Bagnell: Thank you, Mr. Chair.

I'm not sure the disparity between the comments related to under-ice capability is as big, so just to clarify this for the audience, I'll point out that diesel-electric subs need air. I think the department of defence actually contracted Ballard to look at some underwater, air-independent system. I think it was a successful contract, but it would only be possible for the subs to be under the ice a very short time compared to nuclear subs. They could work around the fringes of the ice, but they couldn't go for a long time.

Both could be right in their answers, I think.

I can't seem to get an answer on this next one from anyone, and you probably won't have it either, but the British obviously did significant work on the upgrade for us. If you don't have that...

I don't know if that's on our question list. Could we ask for that, Mr. Chair, from the department?

The Chair: The cost for the British to do the retrofit?

Hon. Larry Bagnell: Yes. I'd just like an estimate. It cost their navy a lot of money, and it would be good for us to have that in our files.

The Chair: Sure. We'll put that on our list of questions.

Hon. Larry Bagnell: You talked about some of the things a country could use subs for. Recently we had an oil spill off Newfoundland. It's suggested that sometimes unscrupulous shippers might try to aim for an oil spill by dumping their ballast or their oil as opposed to dealing with it properly, which might be more expensive. I assume you would agree that a submarine would be a good asset to have in cooperating with Fisheries and Oceans as it is able to monitor such improprieties.

Hon. David Collette: Yes. I think there are a lot of different ways the submarines can help the civilian side of government on pollution control, as it did on the overfishing.

Hon. Larry Bagnell: Have you personally been in any of the Victoria-class subs yourself?

Hon. David Collette: I've been on board, but I haven't sailed on one. I'm not sure they were capable at the time.

Some hon. members: Oh, oh!

• (1635)

Hon. Larry Bagnell: Please don't say that.

Hon. David Collette: I went on one in Halifax that was undergoing a refit.

Hon. Larry Bagnell: You talk about the importance of submarines, and given that the Soviet Union was unstable at the time, some of the leading navies in the world were looking at nuclear subs. For some properties they are better than diesel-electrics and for some they are not as good as diesel-electrics. Was that a major part of our discussions at the time, seeing as we're investigating this purchase?

Hon. David Collette: The Mulroney government had been through this debate, and there was no way, knowing what they had gone through, that I wanted to get involved. I had enough problems without taking on the nuclear sub issue when it had obviously been quite fully resolved by the previous government.

The Chair: Thank you.

Now it's Mr. Casson's turn, please, for five minutes.

Mr. Rick Casson (Lethbridge, CPC): Thank you, and welcome, Mr. Collette.

I think you indicated that you went to cabinet in 1994 and that at that time there was a basic approval to proceed. Is that right?

Hon. David Collette: Well, the defence white paper went through cabinet. It was announced, I think, in the early days—the 4th, 5th, or 6th—of December 1994, and it had gone through final cabinet approval a week before.

Mr. Rick Casson: What kinds of numbers were used then? We've talked about the barter system and money coming in for training from the U.S. What kind of bottom-line dollar figure was presented to cabinet such that they approved going ahead with the purchase of the submarines?

Hon. David Collette: I haven't looked at any documents, and I'm sorry, I am perhaps not as well prepared...because I've been out of the country a bit. But it strikes me that the figure of \$800 million was always the initial sum that was used for these four boats.

Mr. Rick Casson: Did you talk at that time about the other requirements related to the submarines, the training contracts, the service, the parts, and all of these things, or was it just an \$800 million deal?

Hon. David Collenette: It was always fully understood that if you bought the subs, it would include spares and it would include their being up and running, that any problems as a result of the mothballing would have been dealt with. I'm sure that was in the wording of any background document at cabinet, if not in the presentation I made to cabinet.

Mr. Rick Casson: Would you as the minister have gotten involved in the details of those contracts as to what was wrong with the submarines, how much the British were responsible for in repairs before we took them over, the cost of Canadianization, and all of that?

Hon. David Collenette: At that time we weren't negotiating with the British. There was information available from officials about their state of preparedness. There were estimates of what it would cost to get them up and running. But I'm not sure cabinet documents had all of the details, because at that time I was asking for a policy decision.

If I remember correctly, the defence white paper always talked about capability: if we could get new submarines, then we would be able to continue with our submarine capability. It was really the broader policy issue as opposed to the details.

But it was always assumed that if you had authority to purchase submarines and the only ones that were on the table were the ones from Britain, obviously you'd do your due diligence and you would ensure that the deal came with spare parts, training, simulators, and all the rest.

Mr. Rick Casson: Was there ever a point where it occurred to you that the government was leaning to not having the submarine capability in the navy and that the only way to actually salvage that was through these particular boats?

Hon. David Collenette: That was clearly the choice. But cabinet works on a consensus basis; not everybody agreed.

The Prime Minister called the decision. I remember distinctly when it went through cabinet, because unlike most decisions in the Chrétien years, where most of the work was done at either the social development or economic development committee, major foreign policy and defence issues went directly to cabinet, so there was a longer debate. The Prime Minister called the decision and gave the go ahead, and I believe he left a few days later for a trip to France.

We had a problem, actually, in the sense that the full white paper discussions were leaked to the *Globe and Mail*. I think I know who wrote the story. It was a totally accurate story. I remember hauling in Robert Fowler and saying, "We have a major problem. We have to release this tomorrow morning by 10 o'clock." So we worked all night to release the document, and we got approval from the Prime Minister, who was over in Paris, to release it.

I think there were people who weren't fussy about the procurements in government. It was a lot of money. You had the helicopters, the APCs, and the submarines. You add all that together, and I think there were people in government, notwithstanding the fact that it had gone through cabinet, who were not happy that we would be spending large sums on military procurement at that time.

That's the kind of reasoning the Prime Minister went through on the submarines. The helicopters were delayed; the APCs were

delayed—they were done in two tranches, I believe, as opposed to what I proposed, which was one tranche. The same with the helicopters. The search and rescue helicopters were hived off from the maritime patrol helicopters. It was done because there was a concern about committing to big chunks of money when we were cutting everywhere in society.

• (1640)

The Chair: Thank you, Mr. Casson.

I see one question, from Mr. Bagnell.

Hon. Larry Bagnell: I just have a quick question.

In your term as defence minister do you remember any interaction related to submarines other than the technical things around purchasing, like reports coming in saying they had interdicted drugs—anything that came up related to submarines as an integral part of our armed forces during your time as minister?

Hon. David Collenette: I do know that submarines were involved in drug interdictions. I mentioned the overfishing. I believe there were examples in oil spills where intelligence from the submarines helped us track down the culprits.

The Chair: The last time slot in the second round is for Mrs. Hinton, please.

Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC): Thanks, Mr. Collenette, for appearing today. I'm going to make this pretty easy. I don't expect you to have to defend anything. I recognize that you have one vote at the table, and I recognize that you did the job to the best of your ability when you were in the position. So yes or no would be just great.

I keep hearing over and over from former government ministers and others who have been witnesses at this committee, "Defence cuts, defence cuts". They keep saying it like there weren't any options.

This is quite a simple question. Would you agree with me that those were choices made by the government and not things that were forced upon the government?

That's the first question. Say yes or no.

Hon. David Collenette: Well, you can't open up a door like that and ask for an answer of yes or no.

The fact is we campaigned on defence cuts in the 1993 election. We campaigned on a white paper. We delivered in the 1994 budget. Then the massive cuts came about in 1995, and defence got nailed like other departments. I think the overall cuts were 23%.

My personal view, looking back over the 10 years, is that we have cut back too much on our military capability, and I think Canadians really have to face the fact that you can't have your cake and eat it too. You can't have the military there for peacekeeping missions, bombing in Afghanistan, having people injured in a civil war like Bosnia's, dealing with floods in Manitoba and the Saguenay, dealing with the ice storm, and all the other aid to the civil...you can't keep calling on the military unless you give them the resources.

I think there is now recognition that perhaps the military needs to acquire more for its budget.

• (1645)

Mrs. Betty Hinton: Well, you're preaching to the converted, Mr. Collenette. I've recognized that for years.

I guess the answer to that question is, yes, it was a choice by government.

Hon. David Collenette: Well, absolutely. I mean, no one made us do it.

Mrs. Betty Hinton: The other question I have to ask—because this keeps coming up over and over again—is on this whole issue of barter. If everyone knew there was no difference to the ultimate price to Canadians, there can be only one reason for presenting it that way, and that is to try to slip something over on people and have it appear as though you're going to get a far better deal than you're actually going to get.

I was going to ask you, yes or no again, but I guess I'd put you in that same position where yes or no is not enough.

Hon. David Collenette: There were some who said that there were financial accounting reasons for this. As far as I was concerned, it was all a matter of appearance.

Mrs. Betty Hinton: A matter of appearance?

Hon. David Collenette: Yes.

Mrs. Betty Hinton: Thank you.

The Chair: Okay. Thank you very much.

That completes two full rounds. I don't know whether colleagues want to start a third round or whether we want to see if there are maybe one or two final questions from individual members.

I think I see a desire to have one or two final questions per member, rather than a full third round. So with everybody's indulgence, we'll start to conclude.

Let me give Monsieur Bachand his final question, and then anybody else. Then we'll go to phase two of the meeting.

Monsieur Bachand.

[*Translation*]

Mr. Claude Bachand: Mr. Collenette, how important was it for the Prime Minister to get involved in the submarine purchase? Did

he get involved at a particularly important stage of the negotiations? Did he have the final say, or was it Cabinet?

Hon. David Collenette: When a government has some very difficult decisions to make, the Prime Minister has the final say. That is his prerogative. In this particular instance, I know that Cabinet had reached on consensus on the acquisition of the submarines. The decision wasn't unanimous, but there was nevertheless a consensus. I distinctly remember the Prime Minister saying that he had been authorized to make the final decision, that he would talk to his minister and then decide.

Mr. Claude Bachand: Mr. Chairman, in light of that fact, perhaps we should have the former Prime Minister come and testify. How do we go about inviting someone to appear? Must the invitation be phrased as a formal request?

[*English*]

The Chair: Well, you've put the idea forward now. Let's finish with the questions for Mr. Collenette, and then we'll deal with your suggestion.

Are there any final, brief questions for Mr. Collenette?

Hon. David Collenette: Perhaps I could just say, Mr. Chairman, that there's nothing outrageous in what I've said. When you have tough decisions, and it's a consensus—and it's always a matter of whether it should be announced now—you leave it up to the judgment of the leader of the government to make the final decision in consultation with other ministers. This is nothing unusual.

The Chair: No. I think as a former student and teacher of Canadian history, it's pretty clear to me when you look through our history that when you sit in the big corner office up there, it gives you a lot of votes on what cabinet will ultimately do, depending on a prime minister's style. You can have 38 ministers deciding one way. If a prime minister is strong enough on something...and I haven't been in cabinet, but I would suggest that maybe the prime minister, if he needs it, has 39 votes in some cases.

I think Mr. Collenette is telling us what we know from Canadian history.

Just so nobody is disappointed later, this is your last chance.

I see no more questions for Mr. Collenette.

Thank you very much for joining us, David. On behalf of all members, good luck to you personally and professionally in the days ahead. You've had a long and distinguished career here. It's been the pleasure of many of us to work with you. All the best to you personally. Thank you.

Maybe we could suspend for two or three minutes, and then we'll reconvene in camera.

[*Proceedings continue in camera*]

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