be provided by the Lockheed Company we would proceed to purchase the 18 aircraft. There were no other reasons of substance.

Mr. Crouse: Mr. Speaker, I can assure the minister that his announcement will be a very serious blow to the people of my area, especially those who are looking to the government for some guidance with regard to the surveillance required when we establish the 200-mile limit. We are also concerned over the lack of sovereignty patrol, over the lack in respect of the NATO anti-submarine commitment which is required in Atlantic Canada, and certainly over adequate search and rescue facilities. All of these matters are of life and death concern to our people.

On the international scene the Prime Minister (Mr. Trudeau) stated he was seeking a contractual link with Europe, and we have commitments in Europe to maintain détente in that part of the world.

I would ask the minister whether he really put all his eggs in one basket, so to speak? If that is so, today is a good time to make a new beginning. The fact that the minister has goofed and blundered badly is unfortunate and the taxpayers will have to pay the loss for his incompetence and the incompetence of the government, but today is the time to start anew.

Mr. Speaker: Order, please. Surely the hon. member will realize he has gone somewhat beyond the bounds of questioning into the area of representations.

Mr. Crouse: I will put my question then, Mr. Speaker, and it is simply this: what will the minister tell his NATO allies when he meets with them in the very near future as to what alternative he intends to propose for replacing the Orion?

Mr. Richardson: Mr. Speaker, I will reply to that in a moment. I want to respond to the earlier question which was embodied in the statement. There will be no change in our capability for surveillance over the next five years. With our trackers, which are already in operation, and continuing with the Argus which, as I said, would have gone ahead in any case, and if we are successful in finding a replacement for the Argus, then we will have exactly the same degree of surveillance and protection as there would have been had we gone through with this specific contract.

Concerning our commitment to NATO, throughout all these negotiations, and particularly when we made this important decision, we were very conscious of our obligations to the NATO alliance. In my statement I tried to assure the House, and I hope to reassure our NATO partners when I visit with them in Brussels next month, that we are fully committed to meet our obligations to NATO. We are committed to staying in the anti-submarine role, and we intend to perform at the same level as we would have had this purchase gone through, except that we will be achieving that objective in another way.

Reference has been made to the taxpayers. We were very conscious of our obligations to the taxpayers, and that was again one of the reasons for the decision. We did not wish to expose the Canadian taxpayers to undue risk. Above all, we were committed to our obligations to the Canadian armed forces. We have this year increased our expenditure for new equipment by 34 per cent over last year. We have met our commitment to the forces in that respect, and we will continue to do so as we find the most effective replacement for the Argus.

Mr. Speaker: Order, please. I have taken note of hon. members who have been seeking the floor since the question part of this procedure began. I think I should therefore conclude the question period by recognizing hon. members in this order: the hon. member for New Westminster (Mr. Leggatt), the hon. member for Halton-Wentworth (Mr. Kempling), the hon. member for Calgary South (Mr. Bawden), the hon. member for Marquette (Mr. Stewart), and the hon. member for Winnipeg South Centre (Mr. McKenzie).

Mr. Leggatt: Mr. Speaker, in his statement the minister went out of his way to express appreciation to the United States for its willing co-operation, and I presume he was referring to the permission to increase the ability to lend money under the American Loans Board. Will the minister advise the House whether he requested any assurance at all from U.S. authorities in terms of guaranteeing Lockheed performance under this contract and, secondly, did he ask for any guarantees in the event of the bankruptcy of the Lockheed Company, and were these guarantees forthcoming from the U.S. government?

Mr. Richardson: Mr. Speaker, I was primarily referring to the assurance which the United States government had given us concerning its opinion and view of the financial viability of the Lockheed Company, and the company's ability to stay in business and in fact deliver the aircraft to us. The U.S government gave us strong assurances in that respect. It also gave us the assurance that in the unlikely event of bankruptcy we would be protected in the same way as the United States government itself in respect of its own military equipment being purchased from Lockheed.

Mr. Kempling: Mr. Speaker, the minister in his statement said it was agreed by the cabinet that the government would proceed with the acquisition of 18 LRPA if Lockheed could provide the bridge financing. What intrigues me about this is the way Lockheed's financing is being rearranged. I note that the bank credit facilities Lockheed had were with a consortium of 24 U.S. banks, led mainly by Bank American and Bankers' Trust. These facilities expired on May 15, four days ago, and new credit facilities are being arranged. Why was the decision on this matter not deferred until new bank credit facilities were completed? It would appear to me that an order for more than $1 billion would be a damned good lever for Lockheed in seeking the necessary bridge financing from any banking facilities.

● (1550)

Mr. Richardson: Mr. Speaker, I believe the hon. member is speaking about the relationship between American banks and the Lockheed Company.

Mr. Kempling: Right.

Mr. Richardson: They are not directly related to the negotiations and discussions which took place with the Canadian banks. I may say that one of the problems which