

Mr. McKinnon: I do hope the minister's myopia in this regard will be speedily cured and perhaps the next scheme produced will be rational. I hope it will not be accompanied by the means of self-praise that we were subjected to last December.

I must confess that I was never greatly concerned about the Canadian banks involvement in this deal. Their management is far more capable and far more astute than is the management of the government at this time.

Mr. Speaker: Order, please. I should remind the hon. member that he has already gone some distance past the time taken by the minister.

Some hon. Members: Oh, oh!

Mr. McKinnon: Mr. Speaker, I can only say that this is a \$1 billion arrangement about which we are speaking, although the minister responsible cut his time, and I ask the indulgence of the House to carry on for about two more minutes.

Some hon. Members: Hear, hear!

Mr. McKinnon: The attitude of the banks was best summed up by the president of one member of the consortium who said, "No banker in his right mind would lend money to Lockheed without an iron-clad government guarantee". Therefore, Mr. Speaker, the Minister of National Defence has blown \$12 million for a final definition phase, plus \$16 million for work in progress, plus the cost of the LRPA project office, some \$6 million, plus the possibility of a suit by Lockheed; \$34 million for sure, and maybe more. And there is nothing to show for it. In addition the minister made a fool of himself on the world stage at NATO last December and greatly eroded Canada's reputation as a responsible nation and ally. Now he has lost the confidence of the cabinet, which is the prime requisite for holding cabinet rank.

What is to become of a minister who shows his unsuitability for his portfolio in such a graphic and expensive manner, rests with the minister and the Prime Minister for the good of the Department of National Defence, and for the sake of Canada's reputation among our allies, the minister should offer his resignation.

Some hon. Members: Hear, hear!

Mr. McKinnon: He has let down the forces, misled our allies, and wasted \$34 millions of the taxpayers' money. He should now move on to lesser things.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, listening to the statement by the Minister of National Defence (Mr. Richardson) to the House this afternoon, both in tone and substance, I thought I was listening to the cancellation of a Sunday afternoon church social instead of the cancellation of a project that is going to cost the Canadian people anywhere from \$16 million to \$30 million, without getting us one aircraft. That is the implication. Money is going right down the drain. The minister is responsible for it, yet he is not at all concerned. Apparently

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his cabinet colleagues are, because there is not one left in the House.

Quite apart from the financial mismanagement, there is the very serious military implication. Our armed forces have been waiting, not for months, but for years for a suitable replacement for the Argus aircraft. Therefore we are short militarily, losing millions of dollars, and the minister sits there smiling in benign indifference. Surely something is wrong.

The minister said in his statement that the project has been cancelled because of the incapacity of Lockheed to provide bridge financing. Possibly the minister really thought he was purchasing bridges at one point, and that led to a real entanglement.

Some hon. Members: Oh, oh!

Mr. Broadbent: The minister knew at least five months ago that the Lockheed Corporation was not in a position to provide that financing. I wish to quote two instances in the House when the minister spoke in rather calm tones about the seriousness of the situation. With reference to negotiations that had taken place some weeks and months prior, the minister said, as recorded in *Hansard* for March 26:

There was a difference between the amount of funds available in the national defence budget and the progress payments required by Lockheed. We explained this and were told by Lockheed that the difference could be financed by them. Subsequently they told us they could not do it. That is all there is to the misunderstanding. It is serious, but easy to explain.

It is serious alright, but I am not sure it is easy to explain. With reference to his earlier knowledge of his financial position of the Lockheed Corporation the minister said, and I quote:

We then made our decision and entered into detailed negotiations. It was in the final negotiations that it became apparent that what Lockheed had told us they could do they were unable to do.

That is with reference to negotiations and discussions that were taking place last fall. This process of negotiating, ordering, purchasing, and subsequently cancelling the purchase has been a colossal bungle from start to finish. The minister should have got commitments in writing last fall not verbal commitments on the kind of interim or, as he calls it today, bridge financing which was so essential to the whole project.

I support entirely the observation made by the spokesman of the Conservative party that this minister should resign. If ever there was a case of ministerial incompetence, we have had it clearly demonstrated here today. The minister came before the House and announced that a project for which he has been fighting, almost ad nauseam, without sufficient knowledge, is going down the drain.

I want to speak very briefly on the alternative because that is something the government must deal with, and deal with quickly. I hope I have not used all the time that my predecessor used: I will be one or two minutes more at most.

● (1520)

In the view of the NDP there has always been a more sensible alternative to committing ourselves to the \$1.1 billion envisaged for the Orion deal. It is one which fits in with the No. 1 priority set out by the Department of