

This is exactly the opposite of what the Minister of Supply and Services said. I would not wish to suggest that either one of those gentlemen was deliberately deceiving the House. I understand it would be unparliamentary to do so. I would not do so in any event, because I do not think the House trusts them enough to be deceived by them any longer. Let it be said that they have said diametrically opposite things. One says we are to pay for this aircraft according to an agreed formula as the production goes on, and the other says we are to make full payment when the aircraft are delivered. In other words, according to the Minister of National Defence, the government expected Lockheed to provide interim financing for three years. This would be a huge sum, I think well beyond Lockheed's capability even without its current difficulties.

Lockheed, on the other hand, told me that this would be quite contrary to normal financing arrangements for such contracts. Lockheed has said that the payment schedule was all set down in the final proposal to the government of last August, which the government accepted in principle when it announced its decision to buy the Lockheed plane. I must say that from my scant knowledge of the world of armaments and armament purchases, Lockheed seemed to be setting out a fairly reasonable position. It claimed that its final offer spelled out to the finest detail the dates and the amounts that were going to be owed by the government to Lockheed as the plane was produced. My understanding is that the first payment was due at the end of January, and was in the approximate amount of \$1 million, and there were to be monthly payments from then on.

From these three pieces of evidence we can see that the Minister of Supply and Services and Lockheed are on the same side, but flatly contradicted by the Minister of National Defence when he stated we were going to pay for the planes in full when the order was completed. To enable the opposition and the Canadian people to determine the truth, we want these papers tabled. If there is an agreed formula which spelled out that monthly payments were due, how could the Minister of National Defence possibly make the statement he made at page 11402 of *Hansard*, where he said: "The government made arrangements for full payment when the aircraft were delivered"?

Having made this statement, the minister adopted an attitude of shifting the responsibility from himself to his negotiating team and, indeed, to individuals on that team. To me this is a lamentable practice. Ministers are responsible for everything that happens within their departments, and if the negotiating team was under the supervision of the Department of National Defence, then the Minister of National Defence should cheerfully accept total responsibility. If it was not operating to his satisfaction, then it was his duty to find out. If there were misunderstandings or deceptions going on, it was up to the minister to find those misunderstandings and deceptions and take corrective action. If he did not have the proper personnel on the team, then he should have changed the personnel. The minister should not try to shift the responsibility from himself to any of his subordinates.

It is the minister who said the government was going to pay for that plane when it was finally delivered, and he is flatly contradicted by another minister of the Crown. I might say, in passing, that the Minister of Supply and

Lockheed Contract

Services was rather neatly taken off the hook in respect of this whole mess by the Prime Minister (Mr. Trudeau) when he said, as recorded at page 12436 of *Hansard*:

—the arranging of the financing and the supervising of the execution of the contract are the responsibilities of the Minister of National Defence.

It seems to me he want one step further than he had to, to be sure the Minister of Supply and Services would not have the eight ball placed in front of him but would have it placed in front of the Minister of National Defence. This is an example of the inner politics of the cabinet which is far too devious for my simple mind to understand. However, it did become clear that, as far as the Prime Minister was concerned, if there was anything wrong with this contract we should blame the Minister of National Defence.

After a cabinet meeting on November 27, the minister announced the momentous news that Canada was going to replace the Argus with the Lockheed LRPA at a cost of \$950 million. In fairness to the minister, he said at that time there would be additional interest costs, but he did not say how much. It turned out later to be \$111 million. One should read closely the minister's earth-shaking announcement about the decision to re-equip the Canadian forces. I might say this was a very surprising decision. I could hardly believe that the government was going to spend \$1 billion on 18 aircraft, knowing its disposition not to spend money in support of the forces. I hoped for the best. When reading the fine print of the announcement one found that there was to be no money actually spent by the government for some three years. It was going to go through an intricate system of switching funds from the operating budget to the capital budget, ending up with jam tomorrow, only three years down the road.

● (1710)

I would like to say, en passant, that the method by which that announcement was made left much to be desired. I imagine that people even as thick-skinned as some of our ministers must have thought how foolish we looked on the world stage at that time. I should like to quote a newspaper article in this regard. I refer to a column written by Duart Farquharson, headlined "Canada finally leaves NATO military purgatory". One would think, in view of what has happened around the world in the last two or three weeks, that we would hate to be faced with the way we advertised ourselves last December when the minister, having made his announcement, dashed off to Europe to reap the gratitude of NATO. The article reads:

NATO welcomed Canada back into its military good graces Tuesday as defence minister James Richardson announced the Trudeau government's plans to beef up its contribution in Europe.

The "unanimous appreciation" of the alliance members as described to reporters by Richardson was led off by Admiral of the Fleet Sir Peter Hill-Norton, chairman of NATO's military committee.

NATO secretary-general Joseph Luns, who earlier this fall publicly criticized the equipment Canadian forces are using in Europe as grossly inadequate, offered his congratulations after the Canadian minister spoke.

The difficulty is that they did not understand Canadian ministers and that when a Canadian minister says he has made a decision to buy an aircraft one should never assume that is what he meant. One should assume that it had been discussed, will be discussed again and that perhaps an aircraft will be purchased, maybe someday but