

*Ministerial Responsibility*

that the fact that financing was needed was pointed out in the cabinet documents, and that it was on the basis that both companies could provide financing that negotiations continued, that cabinet decided on a particular plane, and that cabinet decided to pay for the plane by a financing rather than a direct funding route. He has also admitted that perhaps "all of them"—one assumes he means his colleagues in cabinet—should have looked more closely at this financing question.

The President of the Treasury Board (Mr. Chrétien) has been vague in his replies as to whether he knew how the financing was to be arranged. He did not say whether he knew or not if there was a verbal agreement. He just stated that he agrees with whatever the Prime Minister had said in his latest statement. Obviously if cabinet decided on the commercial financing route, this involved Lockheed, but the President of the Treasury Board will not say whether he knew that Lockheed had given any assurances—verbal or otherwise—that it could arrange financing.

The Minister of Supply and Services has, however, consistently maintained that he did not know until mid-December that the Lockheed commitment to provide financing was based on nothing more than a verbal agreement. Far from claiming to have been misled by Lockheed he has stated:

In all the negotiations with Lockheed I do not have to complain at any time about the behaviour of the company nor about their ethics.

This was recorded in *Hansard* of April 5, at page 12437.

The Prime Minister seems to have changed his story in a most blatant manner. Having said on June 3 and 8 that they—the government—negotiated on the basis of a verbal agreement with Lockheed, on June 10 he said that he, like the Minister of National Defence, only knew of the verbal agreement in mid-December. This was two weeks after they had decided to go ahead with the contract, seemingly contradicting what he said on June 3 and 8. It appears inconsistent.

**Mr. Deputy Speaker:** Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. If he does not have much more of his speech left, perhaps he could get the consent of the House to carry on.

**Some hon. Members:** Agreed.

**Mr. McKinnon:** Mr. Speaker, I appreciate the indulgence of the House and I will try to be brief.

The Prime Minister said, "We had been assured that Lockheed could supply it", meaning money. If there was no written assurance, and the Prime Minister says he did not know there was a verbal assurance, then what kind of assurance did they have? None at all.

Presumably the Prime Minister would say there is no inconsistency in these statements—that what these statements really mean is that they negotiated on the basis of a verbal agreement without knowing at the time that it was a verbal agreement. If this is the Prime Minister's justification then it says little for his own judgment or that of his colleagues. What it means is that no one ever thought to check into this financing question, that they simply proceeded on an assumption, and that the whole cabinet,

[Mr. McKinnon.]

not just the Minister of National Defence and his officials, were gullible and imprudent.

If no one, including the Minister of National Defence, heard anything about a verbal commitment from Lockheed that financing could be arranged, this means that they all assumed—totally incorrectly—that the contractor would and could provide financing. This assumption was ludicrous for two reasons: first, Lockheed's financial situation, and second, defence contracts such as this, which involve research and development, setting up new production lines, etc., are never more than 20 per cent funded by the contractor unless the circumstances are exceptional. Given Lockheed's position, it would be lucky to find that 20 per cent, let alone more.

A verbal commitment from Lockheed is at least some explanation of why the cabinet acted as it did; with no commitment of any kind from Lockheed. It means cabinet just went ahead on the basis of assumptions or wishful thinking. If they assumed there was a commitment in writing, ministers should at the very least have asked to look at it. The Prime Minister has said that they acted in good faith though perhaps imprudently. Since when have we started electing governments who feel entitled to act imprudently so long as they do so in good faith?

What are we now to conclude about ministerial responsibility and the government's conduct? Thus far there seems to be no indication whatsoever that the probity of the government is in question. Despite a sometimes rather craven willingness to blame others, there is no hint of the corruption which has tainted Lockheed contracts elsewhere. The same cannot be said of their competence in the discharge of their duties. The government, both as personified in the cabinet as a whole and in the person of several of the ministers, seems not to have taken the most elementary precautions in the financing of this contract.

The government is responsible for this fiasco. We heard the Minister of Supply and Services say today that the government made its first payment on it, amounting to \$10,800,000, all for nothing. The concept of ministerial responsibility requires that those whom the Prime Minister finds to be at fault must be asked to resign.

Finally, I would remind the Prime Minister that it is he and his colleagues in the cabinet who are responsible for the actions of the members of their departments; attempts to blame them for the ministers' errors are a denial of their responsibility. In this context I would ask the Prime Minister to recall the words of Machiavelli: "One who is not wise himself cannot be well advised".

[*Translation*]

**Mr. Donald C. Munro (Esquimalt-Saanich):** Mr. Speaker, I am in complete agreement with those who have moved this opposition motion today because I find unacceptable the conduct of the government, and particularly its tendency to always find means to shirk its own responsibilities by putting them in most cases on the shoulders of a scapegoat or by not recognizing them.

Mr. Speaker, ministerial responsibility is at the basis of our parliamentary democracy; once eroded, we would have difficulty in restoring it. There has already been some mention of a few cases of lack of responsibility, for instance in the case of the Department of Supply and