

## Oral Questions

● (1440)

## INDUSTRY

SHIPBUILDING SUBSIDY PROGRAM—SUGGESTED  
WITHHOLDING OF PAYMENTS TO MARINE INDUSTRIES  
LIMITED—AMOUNT TO BE WITHHELD

**Mr. Allan Lawrence (Northumberland-Durham):** Mr. Speaker, my supplementary question is addressed to the Minister of Industry, Trade and Commerce. In view of the fact that this minister last week also left the impression with the House and the public that he was unaware of the seriousness of the allegations and charges which have been made public today and yesterday, in view of the fact that he announced that the most recent \$265 million contract to Marine Industries Limited was going to go ahead as normal, and in view of the fact that that particular company yesterday in Toronto was charged under the Income Tax Act and that today the company was charged with an attempt to defraud two governments as well as the Hamilton Harbour Commission, and in view of this very serious allegation against officers of that particular company, would he now direct the Export Development Corporation to at least hold in abeyance, or somehow temporarily suspend, or make out some sort of trust arrangement so that money is still under the direct control and supervision of the government in some way pending the determination of criminality in respect of that particular company?

**Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce):** Mr. Speaker, I should like to make it quite clear that Export Development Corporation financing does not provide for loans directly to the corporations. This involves loans made to the buyers for the purpose of acquiring capital goods from Canadian suppliers. On the other point alluded to by the hon. member involving the question of payments in respect of existing programs under shipbuilding assistance, some payments are due or are coming due, and I have asked my department to seek legal clarification in respect of whether those payments should be made.

**Mr. Lawrence:** Mr. Speaker, could the minister tell us the extent of the holdback in respect of the existing contracts he is talking about, and indicate the policy and intent with regard to the \$265 million contract he announced last week as well as what he is now referring to when he says that, as he so gently puts it, he is seeking a clarification of legal implications?

**Mr. Gillespie:** Mr. Speaker, I cannot tell the hon. member the amount of the payment that is coming due, but I would be very pleased to provide him with that information. I have tried to make it very clear to him that we are seeking legal clarification as to whether this payment should be made, and I hope to be able to announce a decision on that in the very near future. As to Export Development Corporation financing, I think it is important that the House understand that the \$265 million contract to which the hon. member alluded is a contract between Marine Industries and the buyer, I believe a Greek corporation of some 12 vessels. That particular contract will be financed on the basis of approximately 40 per cent in the form of a loan by the Export Development

[Mr. Allmand.]

Corporation to the buyer, not the manufacturer or exporter, supported by roughly 30 per cent from the private sector, the commercial banking system, and the balance, of course, by the shipbuilder himself.

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## TRANSPORT

PROPOSED INQUIRY INTO ALL DREDGING CONTRACTS—  
GOVERNMENT POSITION

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, I have a question for the Acting Prime Minister and I choose my words with care.

**An hon. Member:** For the first time.

**Some hon. Members:** Oh, oh!

**Mr. Broadbent:** I hope the minister will choose his answer with equal care. In view of very serious charges laid by the Crown in Ontario involving political kickbacks and influence peddling in the Hamilton area, and considering that one of those charged today as the result of investigation into harbour dredging contracts was and may still be a very senior official of the Liberal party of Canada, will the Acting Prime Minister set up a commission under the Inquiries Act to investigate all dredging contracts and the possibility of related political wrong doing?

**Hon. Mitchell Sharp (Acting Prime Minister):** Mr. Speaker, the brief answer to the question is in the negative. I believe that if justice is to be done it should be permitted to take its course, and I think the intervention of any other proceeding such as has been suggested would compromise the outcome.

**Mr. Broadbent:** Mr. Speaker, I will put my question in a different way for clarification purposes and in the hope it might produce a different answer. In view of the fact that it is not only important that justice be done in politics, but that it be seen to be done, particularly as that relates to people in important political positions being cleared of any possible compromising circumstances that may not involve illegality but would potentially involve what appropriately could be called or considered political wrongdoing, in the sense of influence peddling, and I ask the question in that sense, will the Acting Prime Minister and the government not agree that the best way of clearing up this very important matter of public integrity in terms of governmental implementation of policy would be through a public inquiry?

**Mr. Sharp:** Mr. Speaker, I can only repeat the answer I have just given. I suggest to my hon. friend that if there are allegations of this kind they should be made and should not be insinuated. If the hon. gentleman wants to make charges, then I suggest he should make them, and not only would justice be done, justice would be seen to be done.

**Mr. Knowles (Winnipeg North Centre):** I rise on a point of order, Mr. Speaker. I suggest it is not in keeping with the practice of this House everytime something like