Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, allegations there have been. There has not been confirmation of those allegations which is precisely what the Government of Canada is trying to determine. Very clearly, the issue will be thoroughly investigated. Should it appear that any Canadian laws have been broken by Canadian citizens, appropriate legal action will be taken.

[Translation]

INQUIRY WHETHER AMERICAN GOVERNMENT INFORMED CANADIAN GOVERNMENT OF POSSIBLE INVOLVEMENT OF CANADIANS IN SALE OF ARMS TO IRAN

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Deputy Minister and concerns the Canadian connection in the sale of arms to Iran. Mr. Speaker, in the United States, the head of the CIA testified, I imagine under oath, and indicated to members of the committee that on October 7 of this year he had been advised by a Mr. Furmark that Canadians were involved in the sale of arms to Iran.

I would like to ask the Deputy Prime Minister: Did the American Government inform the Canadian Government of the possible involvement of Canadians in the sale of arms to Iran?

[English]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I feel that I have already adequately answered that question. I have pointed out that this line of questioning is based on published reports of a closed committee meeting. Therefore there are very few firm facts upon which to make the kind of Canadian connection which the Hon. Member is taking for granted. We have asked the U.S. to provide us with all the available information. That investigation is going on. When we have more information, and when we know whether Canadian citizens were in fact involved and if in fact Canadian laws were broken, then we will take the appropriate action.

GOVERNMENT'S KNOWLEDGE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, it is not an allegation. It has been stated by Mr. Casey that he was informed on October 7 that Canadians were implicated in this sale of arms to Iran. I repeat my question. Was the Canadian Government informed in October of this year that Canadians were involved in the sale of arms to Iran?

• (1430)

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I will repeat what I have already said. There is nothing at this point in time about which to inform any other Government. This is information which came up before a hearing. We do not know on what it is based. We are making an investigation and we are trying to find out the very kind of information the Hon. Member is seeking. When we get that

Oral Questions

information, we will take the appropriate action. If Canadian laws were broken, we will take the appropriate action.

SAFETY OF CANADIAN CITIZENS IN IRAQ

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, there have been allegations that Canadians have been involved in the sale of arms to Iran. My question is directed to the Deputy Prime Minister. Since this would obviously put the lives of Canadians living in Iraq at some risk, has the Government been in touch with officials of the Government of Iraq to inform them very clearly that it is Canadian policy not to ship arms to Iran?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, at this point I can take the Hon. Member's question under advisement. I do not know specifically what our Department has done with Iraq, but of course the point the Hon. Member makes is true. This kind of activity is against our policy.

QUERY CONCERNING POSSIBLE UNDERSTANDING BETWEEN CANADIAN AND UNITED STATES GOVERNMENTS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I will direct my supplementary question to the Minister for International Trade since she seems to be answering the questions on this issue. Is there an understanding between the United States administration and the Canadian Government that Canadian nationals are not to be used in any type of covert military activity in which an American agency is taking part? Is there an understanding that we will at least be informed if there is any involvement of Canadian citizens?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I do not want to speculate in this area in the absence of the Secretary of State for External Affairs. It is beyond my knowledge. I am not advised of the information the Hon. Member is seeking, but I will take the question on notice and respond to him.

[Translation]

PENITENTIARIES

PORT-CARTIER PRISON—AWARDING OF CONTRACT TO BECHTEL QUEBEC

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to direct my question to the President of the Treasury Board or the Solicitor General, whoever is prepared to reply. My question concerns the incredible and continuing story about the movable penitentiary that was taken by the Government from Drummondville to Port-Cartier, in the Prime Minister's riding. One of the most mysterious aspects of this story is the role played by an engineer, a Mr. Robert McCulloch, in awarding the penitentiary contract to Bechtel Quebec. In this respect, the President of the Treasury Board