

• (1830)

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, when the Hon. Member for Kenora—Rainy River (Mr. Parry) raised this subject in November of last year, we responded that the Canadian company, Expro Chemical Products Inc., had fulfilled all requirements expected of it in obtaining the required permission to export, and that although the matter was being looked into more closely, there was no evidence of any wrongdoing on the part of Expro. The results of that investigation confirmed that Expro in fact obtained all the necessary permits and sought the assurances of the importing Government.

The assertion the Hon. Member has again made in the House is unfortunately misleading. Expro has not shipped any of the explosives to Portugal since October of last year and has certainly not continued to export to the Portuguese client after the issues that came to light in November.

The House will recollect that the other European nation investigating the suspected diversion of explosives to Iran was the Netherlands, and we have been monitoring this investigation carefully. The company concerned, Muiden Chimie, had its export licence to Portugal suspended for a period of six months and had investigators from the Government in the plant for a prolonged period.

We do not deny that exports have continued to Muiden Chimie in the past months, but these were permitted to continue because there are clear assurances that the Canadian propellant will be subject to the controls of the Netherlands Government whose foreign policy views on the export of military goods to countries in conflict are the same as the

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views of this Government. In other words, exports to Muiden at this time are extremely secure, and we have absolutely no doubt that the propellant would be used for purposes consistent with our foreign policy concerns.

The Hon. Member also suggested that the major part of Expro's production was destined for Portugal and implied that an advance of \$8 million to the company was inappropriate. I must correct the facts and point out that Expro is an important supplier to our own defence forces and does not rely on Portugal for anywhere near the major portion of its orders. It is because Expro is a preferred supplier under the Government munitions supply program that a loan was made to it under the Defence Production Act. It is important to our own defence needs that we have domestic suppliers of critical defence goods for use by Canadian forces.

In his most recent question on this matter the Hon. Member indicated that he had in his possession documentary evidence that exports are continuing to Portugal. Despite persistent efforts by my officials to get a copy of this document, a copy has not been forthcoming. If the Hon. Member is sincerely concerned about this issue, his co-operation would be appreciated. Upon receipt of the document in question, we shall be better poised to respond to the Hon. Member's question and investigate his allegations.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at ten o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.33 p.m.