

Oral Questions

The United States have an ambassador here, and he has obviously informed the United States of our policies which are then being imitated by President Carter.

Mr. Crosbie: Mr. Speaker, God help poor old President Carter of the United States. Just when the president was having a comeback, he is doomed again!

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Crosbie: My supplementary is to the Minister of Finance. The chairman of the Federal Reserve Board of the United States, Mr. William Miller, says that the economy of that country is revising its estimates of growth for next year down to between 2.5 per cent and 3 per cent, as compared to earlier estimates of 3 per cent to 3.5 per cent, and because of the monetary tightening of the Federal Reserve Board which went into effect three or four days ago, they are now up to 9.5 per cent.

Would the Minister of Finance state to the House, now, his estimate of what our economy's growth will be and how much it will be slowed by his increase in monetary tightening as a result of the United States increase? How far will our growth rate fall, over the minister's earlier projections for next year?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I will answer that question when I present the budget to this House.

Mr. Crosbie: Mr. Speaker, economists generally say that for Canada to have real growth in its economy next year it will have to be export-led.

I would like to ask the Minister of Finance, in view of the fact that the United States economy will drop in growth and that our main export market is the United States, does he still expect Canada to have any stimulus next year that it will be export-led, considering the possible consequences on the United States economy of this tightening policy?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I shall answer these questions with full details when I table my speech on the budget.

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[*English*]

EXTERNAL AFFAIRS

ALLEGED ILLEGAL SHIPMENTS OF MILITARY EQUIPMENT TO SOUTH AFRICA—RESULTS OF INVESTIGATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is to the Solicitor General. Serious allegations were made last night on the CBC program "Fifth Estate" regarding three specific illegal shipments of shells and other military equipment from Space Research Corporation of Canada to South Africa via other countries. Since it has been reported that the RCMP has investigated at least one of these

[Mr. Trudeau.]

allegations, could the minister inform the House of the results of such an investigation?

● (1422)

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, the hon. gentleman well knows that it has been the practice of solicitors general past and present not to comment on the progress of an investigation that is going on, but to keep their comments until it has been completed.

EXPORT OF MILITARY EQUIPMENT TO SPAIN

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, since the Minister of National Revenue is in the other place, I shall have to ask the Minister of Industry, Trade and Commerce the following question: since the Government of Canada authorized the shipment of shells to the government of Spain—that, I take it, is beyond question—during the present year, could the minister tell the House whether the government ascertained that those shells had, in fact, been requested by the government of Spain before it gave approval for the export permit?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I really do not think this matter should be dealt with in the House of Commons. As the Solicitor General has suggested, it is under investigation now and we want that investigation to go ahead as fruitfully as possible.

Mr. Broadbent: A final supplementary question, Mr. Speaker. We certainly have to get a report in the House at some point on this very serious matter, so I shall put my question to the Secretary of State for External Affairs. Considering that the allegations are extremely serious, carry heavy penalties and involve the credibility of Canada living up to international agreements, will the minister assure the House that in terms of his responsibility to other countries as well as Canada, at some point he will bring in a full report on these serious allegations?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Yes, I can give that assurance, Mr. Speaker. I think my colleagues have indicated that the investigation is under way, but I want to emphasize that it did not come about as a result of these most recent news reports. This matter was first brought to light some months ago during the visit here of Mr. Nkomo. It was at that time that the investigation was launched. So far, we have not had an official report or, in my case, any report from this investigation. But it is clearly government policy to ensure that the maximum amount of assurance is provided that no shipment goes to South Africa. If there has been a problem, obviously it will be dealt with. I shall certainly take the House into my confidence as soon as I have anything to report.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to direct a question to the Minister of National Defence on this important issue. He will remember that some