

*Oral Questions*

has been stated very clearly yesterday by my colleague the Minister of Supply and Services.

● (1110)

LOCKHEED CONTRACT—ACCEPTANCE BY MINISTER OF  
RESPONSIBILITY FOR MISUNDERSTANDING ABOUT  
FINANCING

**Mr. Walter Baker (Grenville-Carleton):** A supplementary question, Mr. Speaker. The question is indeed unclear with regard to the obligation. The attitude of the government is the issue. May I ask the Acting Prime Minister this question. Either we are going to do \$1 billion worth of business with a company that has misled the government or we are burdened with an incompetent defence minister; that is the choice. Has the Acting Prime Minister asked the Minister of National Defence to confirm that his officials, though conscientious, were misled, or in the alternative is the Minister of National Defence going to take the responsibility he should as a member of the government in regard to this matter and resign?

**Hon. Mitchell Sharp (Acting Prime Minister):** Mr. Speaker, I neither accept the preamble nor the conclusion.

LOCKHEED CONTRACT—JUSTIFICATION FOR CONTINUING  
NEGOTIATIONS

**Mr. Walter Baker (Grenville-Carleton):** The Acting Prime Minister never accepts either; that is one of the problems. May I ask him a final supplementary question. If the position of the government is that the situation is the fault of Lockheed—and the government's position is the important thing for us to understand—is the government now going to cut its losses rather than get involved in up to \$1 billion with a company that the Minister of National Defence has said has misled the government and which the government has said it does not trust? I ask the Acting Prime Minister to justify this kind of shabby, sloppy business practice.

**Hon. Mitchell Sharp (Acting Prime Minister):** Mr. Speaker, the purpose of the negotiations that have been going on for some time has been to re-equip the Canadian Armed Forces with the kind of planes that are necessary to do the job that has been assigned to Canada by NATO.

**Mr. Baker (Grenville-Carleton):** Yes, we all know and agree with that.

**Mr. Sharp:** We are continuing these negotiations and I hope my hon. friend agrees with me that they should be successful.

LOCKHEED CONTRACT—ROLE PLAYED BY MR. GRANDY IN  
DECISION TO PURCHASE THE "ORION" AND "LOCKHEED L-1011"

**Mr. Dan McKenzie (Winnipeg South Centre):** Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. On Tuesday, as reported at page 12265 of *Hansard*, the Minister of National Defence indicated, and not surprisingly, that he could give no details on the role Mr. Grandy, the former deputy minister, played in the government's preliminary decisions on the LRPA. Would

[Mr. Richardson.]

the Minister of Industry, Trade and Commerce give the House a detailed answer on this question?

**Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce):** Mr. Speaker, I am sorry but since I have not got *Hansard* in front of me perhaps the hon. member would do me the favour of specifying what the question is.

**Mr. McKenzie:** The question was, Mr. Speaker: What was Mr. Grandy's involvement as deputy minister with regard to making a decision on the LRPA? Can the minister give us details on that?

**Mr. Jamieson:** Mr. Speaker, as to the making of the decision, Mr. Grandy had, of course, retired from the department several months before the actual decision was made, so in that sense of the word he had no part in the final decision since he was not in the department at the time. During his period as deputy minister, he would be carrying on the normal functions of that office in relation to the various activities of industry, trade and commerce and related departments in terms of the various assessments that were being made and the whole study leading up to the decision regarding the LRPA. But, as I say, he was not there at the time the decision was made.

**Mr. McKenzie:** A final supplementary question, Mr. Speaker. Was the former deputy minister also involved in discussions and decisions with regard to the purchase by Air Canada of the Lockheed L-1011? If the minister cannot give a complete answer to this question, I would appreciate a reply from the Minister of Transport.

**Mr. Jamieson:** Quite honestly, Mr. Speaker, I do not know the answer to that. This occurred a number of years ago, as the hon. member knows, and I would have to make inquiries, but it may be possible that some other minister can answer that.

\* \* \*

**EXTERNAL AFFAIRS**

ARGENTINA—ASSURANCES FROM NEW REGIME OF  
FULFILMENT OF TREATY OBLIGATIONS

**Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands):** Mr. Speaker, my question is for the Secretary of State for External Affairs. Has the government officially recognized the military junta which took over the government of Argentina? If so, may I draw the attention of the House to the assurance given by the Prime Minister on Friday, March 26, as reported at page 12182 of *Hansard*, that no such recognition would be granted until the new regime in Argentina had given assurances that it would fulfil its treaty obligations. I therefore want to ask the Secretary of State for External Affairs if such assurances have been received from the new regime in Argentina and, if so, in what form, and what was the nature of the commitment?

**Hon. Allan J. MacEachen (Secretary of State for External Affairs):** Yes, Mr. Speaker, such assurances were received by a message from the embassy in Ottawa to the Canadian government that the new regime intended to live up to its international intergovernmental commitments.