

*Export Credits Insurance Act*

or government action dealing with such exports. If my hon. friend feels the government of that day was negligent in sending material of a strategic character, like scrap iron was, then he should be all the more worried about the sale of aircraft, helicopters, base metals and explosives to a country now under communist government 90 miles off the shores of the United States.

**Mr. Hees:** Mr. Speaker—

**Mr. Speaker:** I must inform the house that if the minister speaks now he will close the debate. The Minister of Trade and Commerce.

**Mr. Martin (Essex East):** Sir, you say that if the hon. gentleman speaks now he will close the debate. The debate is not closed.

**Mr. Hees:** As nobody else got up, I rose to speak.

**Mr. Martin (Essex East):** The Speaker got up and asked if any hon. member indicated rising.

**An hon. Member:** Oh no.

**Mr. Balcer:** The minister was up.

**Mr. Speaker:** The hon. member for Essex East knows I have given a warning to the house and then called on the minister. If the hon. member wishes to speak perhaps the minister is prepared to give way.

**Mr. Pearson:** Well, Mr. Speaker, seeing the minister was recognized we shall have an opportunity to discuss this matter in committee of the whole.

**Hon. George H. Hees (Minister of Trade and Commerce):** I would like to answer some of the questions asked and, as the Leader of the Opposition said, we can go into committee stage, when the hon. member for Essex East can speak as many times as he wishes and as long as he wishes. First of all the hon. member for Ottawa West (Mr. McIlraith) asked once again regarding the sale and the insuring of sales to China, and asked whether or not that had been done in a legal way. I am glad to assure him once again that it has.

In the case of grain transactions with mainland China the Canadian wheat board simply borrowed from the banks in a perfectly normal way to pay Canadian producers for the grain. These loans were guaranteed by the Minister of Finance on behalf of the government, as is clearly provided in the Canadian Wheat Board Act. I am advised that the Chinese grain transactions involved nine months credit. That kind of short term paper is appropriate to finance through the chartered banks.

The hon. member for Skeena (Mr. Howard) made reference to the election of the new

director, which is proposed here. The reason we are proposing that a new director be added is simply to make it easier for the board of directors to operate. The five directors and the two members of the corporation who also sit as directors of the corporation are all top civil servants, and are among the busiest people in Ottawa. A number of them have to travel quite often and are extremely busy people. As the quorum of the board is four it is often difficult to get a meeting of the board, and therefore it has been decided to ask parliament for the right to add another director. The hon. member for Skeena also suggested asking the Bank of Canada to nominate someone to act as the additional director, and I am glad to be able to tell him that is what we have in mind.

The Leader of the Opposition spoke about the insuring of sales to communist countries. As the Leader of the Opposition knows very well Canada, since the inception of the act in 1944, has always insured sales to all countries, including communist countries and, as he knows very well, many millions of dollars of sales to communist countries were insured while he was a member of the previous government.

With regard to strategic materials, the export control list includes the strategic list and other items not on the strategic list, that is, goods which are in short supply in Canada and which, from time to time, it is considered not advisable to export from Canada because the needs of Canadians are very great for those materials. Other materials are added from time to time, materials which it might be considered not desirable to be shipped to certain countries or certain parts of the world. Those goods are also included in the export control list.

In the statements I have made regarding Cuba I have made it very clear that with regard to Cuba, goods of a strategic nature are considered to be those on the COCOM strategic list made up at COCOM by representatives of all the NATO countries, with the exception of Iceland. We have considered that that list is the appropriate list of strategic materials to apply to Cuba.

As I have said, we have not granted export permits for the export of any goods on the strategic list, nor have we granted permits for re-export of goods originating in the United States. I do hope, Mr. Speaker, that I have now made clear what we export and what we do not export to Cuba.

**Mr. Pearson:** Would the minister permit a question?

**Mr. Hees:** Yes, I would be glad to.