

Export Credits Insurance Act

of short supply or because of intergovernmental agreements? The minister knows that 76 of those permits are covered in this section of the act which deals with strategic material and goods in short supply. The present Minister of Trade and Commerce, in an effort to clarify this situation said on December 16, 1960, and he was talking about the export control list:

The list includes arms and ammunition, military and related equipment, and raw materials which are of strategic significance.

Then, he went on to say at that time no permits have been or will be issued for the export of these goods to Cuba. You will find those words on page 867 of *Hansard*. Well, we know now, notwithstanding what the minister has said, that under this section of the act 166 permits have been issued in the last year—no, not 166 and I am not sure of the exact number, but the minister will know. There has been a considerable number of permits issued that come within this very category.

The minister may say yes, we have issued permits for goods placed on the list under the authority given to us by this particular paragraph of the section, but he may say these goods are not strategic. But they were put on this list, Mr. Speaker, and covered by order in council in this section because they were either arms, ammunition or goods of a strategic character. This was a decision which the government took and that is why these categories of goods were put under this act. They were of potential strategic importance. If these goods which are now going to Cuba, and which are on this list, are not of any potential strategic importance, why are these categories kept on this list for which permits are required and over which control is enforced?

All you have to do, Mr. Speaker, to convince yourself that these indeed are things of a potentially strategic character and put on the list for that reason, is to look at the permits themselves. I am not going to take the time of the house to go through the list. The list is there for those who wish to read it, in so far as we have been able to secure information in the house about that list. This seems to me to make the position in regard to this matter quite clear. The government has, by order in council under the act which we are considering today, established a list of goods which, because of the fact that they may have strategic importance, require a permit and are brought under control. We know now that item after item of goods on that list have been given a permit for export to this particular country we are now concerned with, Cuba. We also know that an item like dynamite, which is going to Cuba,

[Mr. Pearson.]

does not presumably require a permit because it is not now, whatever may have been the situation once, on that list.

This, Mr. Speaker, seems to us to be a matter of very great importance in which an important principle is involved. If these orders in council establishing these lists under this act mean what we have been told, they mean, then the greatest possible care should be exercised in issuing permits under the act to cover export of any of these categories of goods to sensitive areas, especially to an area like Cuba which is now under a communist government which has caused a great deal of anxiety and worry in the United States and in the Latin American countries. Surely we should be particularly careful in this country not to take any action which on political grounds would add to these difficulties and where the commercial and trade advantages would not be compensated by the increased political difficulties.

No one in this house wishes to see the operation of the particular act we are discussing limited in any way that would encourage genuine export trading. But we do wish to be absolutely certain, before we agree to a \$100 million increase, the amount involved, that this act will be so operated that goods of a strategic and military character will not be permitted to go to areas of the world which are sensitive areas, where the political troubles caused by sending goods to those areas, will not be compensated by any commercial advantage obtained from their export.

When the minister winds up the second reading debate perhaps he will be able to relieve our anxiety in this field. So far anything the minister has said has only added to that anxiety.

Mr. Brunsdon: Would the Leader of the Opposition permit a question? In view of the great exception he takes today in respect to this particular matter may I ask him why the government, of which he was a member, permitted the export of thousands of tons of scrap iron to Japan before the second world war?

Mr. Pearson: That question is very easy to answer. I was not a member of the government at that time. My hon. friend said I was, but he is about 15 years out in associating me with the government of that time. The export at that time, which I gather was approved by all parties in this house, was not covered by an export control list of any kind. It was an export from Canada, without any permit being needed, to a friendly country. It may have been wise or unwise, but it certainly was not covered by order in council