

*Export Credits Insurance Act*

—that arms, ammunition, implements or munitions of war, naval, army or air stores or any articles deemed capable of being converted thereinto or made useful in the production thereof or otherwise having a strategic nature or value will not be made available to any destination wherein their use might be detrimental to the security of Canada.

This is a list of 166 categories of goods which cover goods of a strategic nature or having a strategic value. Therefore, Mr. Speaker, notwithstanding what the minister may have said, surely that means that the items under this section are items of a strategic character within the regulations established by the government itself, and there have been 166 items of that kind enumerated. In addition to the information we got the other day with regard to permits given under this section of which I think there were 77, we are informed that 100 export permits were issued in 1961 for the sale to Cuba of goods in category 9-1 under this act, that is, goods originating outside Canada. One hundred export permits for the shipment of goods to Cuba originating outside of Canada have been issued, and perhaps when the minister has the appropriate opportunity he will give us some detailed information on that point.

Now, Mr. Speaker, notwithstanding the disclosure that in the year 1961 there were 76 export permits issued for goods on the list, under authority of paragraph (a), section 3 of the act which I have quoted, the government still states that Canada has issued no permits under this act for the sale to Cuba of goods of a strategic character.

**Mr. Hees:** That is correct, Mr. Speaker.

**Mr. Pearson:** The minister has confirmed that that is correct, that the issuing of permits under this section of the act does not mean that these goods have a strategic character. This denial which the minister has repeated this afternoon is all the more confusing because both the minister and his predecessor have stated that the export control list includes items classified as strategic.

**Mr. Hees:** It does.

**Mr. Pearson:** If it includes items—

**Mr. Hees:** I will explain the whole thing if the hon. member will give me the opportunity.

**Mr. Chevrier:** The Leader of the Opposition has the floor.

**Mr. Hees:** I can explain it in two minutes, if you want to listen.

**Mr. Pearson:** The minister can make his speech later.

**Mr. Speaker:** Order; the minister will have his opportunity to explain later.

**Mr. Hees:** You don't want to listen. You are just going ahead talking a lot of nonsense.

**Mr. Pearson:** It is obvious the items placed on this list because they come under the section of the act which deals with short supply or because they should be controlled in accordance with intergovernmental agreements should be removed from this particular list. There are only six items that have been placed there for that purpose, and the remaining 166 have been placed on the export control list because, in the judgment of the government, these goods have potential strategic or military value. Support, Mr. Speaker, for the claim that these 166 items have that strategic importance comes from the Minister of Veterans Affairs (Mr. Churchill) speaking in this house when he was minister of trade and commerce. I quote from page 3649 of *Hansard* for August 16, 1958, and this is what the minister's predecessor said in respect to this matter:

The export control list, moreover, serves an important function in indicating those items which are regarded as strategic, and an endeavour has been made to set forth the list in such form that traders may use it for this purpose.

Now, that is clear and unequivocal language. The minister went on to say this:

This means that if items are not on the export control list, permits will be readily available for export to any Soviet bloc destination on application... Our new export control list will serve as a clear lead as to strategic control policy.

Presumably the latest export control list will serve the same purpose. Then, Mr. Speaker, in a subsequent debate in this house about this matter on December 15, 1960, the hon. member for Essex East (Mr. Martin)—this can be found on page 820 of *Hansard* of that date—pressed for information about the relationship between the export control list and the extent to which it includes strategic material. The minister of trade and commerce of that time said, and I quote from page 820 of *Hansard* for December 15:

It covers not only strategic materials but other goods which from time to time may be in short supply or should be subject to control.

It covers not only strategic material, as the minister told the house, and that goes for the 76 permits which have been given. The minister tried to tell the house that the 76 permits that have been given do not cover that part of the list for which permission is required because they are of strategic value. Do they cover only those that are