

*Export Credits Insurance Act*

**Mr. Pearson:** The minister will not go beyond the statement he has made. However, that statement is completely contradicted by the act.

**Mr. Hees:** Nonsense.

**Mr. Pearson:** Section 3(a) of the act does not even mention COCOM. Section 3(a) of this act was in effect before the COCOM list was drawn up. Now the minister says it is a NATO list in a Canadian piece of legislation that matters. He says there are three categories and one is the NATO category. There are two other categories, one dealing with intergovernmental agreements and the other dealing with short supply. The minister asked us to believe that there are only three categories of goods in this act, namely the NATO COCOM list, the short supply list and the intergovernmental list. The act itself completely denies what the minister has said.

**The Deputy Chairman:** Shall clause 1 carry?

**Mr. McIlraith:** No.

**Mr. Pearson:** The 3(a) list about which we have been talking under category 9-1 of that list, deals with goods originating outside of Canada, whether in bond or cleared by Canadian customs. Is it a fact that 100 export permits have been issued in 1961 for the sale to Cuba of goods in this category? If so, can the minister give us any particulars about these goods and where they come from?

**Mr. Hees:** No, Mr. Chairman, we are dealing with a completely different act from the one with which the hon. member is dealing. I am very happy to speak in general terms on general matters of export. However, inasmuch as this is a completely different act that we are dealing with at the present time, I, of course, do not have these specific details at my fingertips. If the hon. member wishes to put the question on the order paper I shall be glad to answer it. However, as that is not the act with which we are dealing at the present time, I naturally have not available the specific information that he has asked for. We are dealing with an act to amend the Export Credits Insurance Act. I shall be glad to answer in detail any questions about that act.

**Mr. Pearson:** Mr. Chairman, the minister admitted last evening that under the act in question the government was insuring certain exports to Cuba. He admitted that last night. We are trying to find out whether, in respect of those goods that have been insured for export to Cuba, 100 permits have been issued for the sale to that country of goods originating outside Canada under category 9-1 of the

[Mr. Hees.]

Export and Import Permits Act. We have been talking about that for the last hour and a half.

**The Deputy Chairman:** Shall clause 1 carry?

**Mr. Hees:** No, I should like to give the hon. member his answer. I am advised that in the past 12 months goods going to Cuba have been insured in the amount of \$270,000 and I am also advised that the two categories of goods that have been insured are pharmaceuticals and supplies for making paper. Does that satisfy the Leader of the Opposition?

**Mr. Pearson:** I take it I will have to be satisfied because the minister will not give us any information.

**Mr. Hees:** I have asked the chairman of the Export Credits Insurance Corporation, and he has given me that specific answer. I cannot give any additional information because there is none. I have given the hon. member the complete answer as given to me by the chairman of the Export Credits Insurance Corporation who is sitting right in front of me.

**Mr. Martin (Essex East):** Mr. Chairman, I want to elicit from the minister his understanding of 3(a) which does use the word "strategic". The minister says that all he follows is the COCOM list and he seeks to establish by implication that there is no other list by which the government of Canada is bound. We have on record in answer to questions put by the hon. member for Trinity and the hon. member for Ottawa West the character of the goods which have been sent to Cuba. The great bulk of these goods are goods that come under 3(a). Are we to understand now that the government interprets 3(a) in a manner different from what is suggested by the actual wording? If so, will the minister explain why in 3(a) it reads this way:

—to ensure that arms, ammunition, implements or munitions of war, naval, army or air stores or any articles deemed capable of being converted thereto or made useful in the production thereof or otherwise having a strategic nature—

What are we to understand is the government's position? Does it regard the use of the word "strategic" there in a different sense from what it does when giving consideration to the COCOM list?

**Mr. Hees:** If you want me to answer I will answer. We consider that the definition given to "strategic" by the COCOM list is the one that applies to Cuba as far as we are concerned.

**Mr. Martin (Essex East):** I am not asking that. I am not asking what meaning the minister attaches to the list devised by