

Inquiries of the Ministry

scrutinized by the Department of Trade and Commerce and we have every reason to believe that there has been no infraction of Canadian export control regulations.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, in relation to the answer that has been given, may I suggest that since these matters are largely the subject of regulation this would appear to be an appropriate time to make the suggestion that it would be in keeping with the thoughts of the people of Canada that steps be taken to prevent the delivery of any kind of strategic materials to those beyond the iron curtain. This type of trade is peculiarly repugnant to our people at this time and if we err in any way, it should be to err on the side of stopping all trade with communist-dominated countries which can in any way support their economy, let alone build up their defensive power.

Mr. McIlraith: I want to say that the regulations do not permit the export of strategic materials to iron curtain countries. I think that should be pointed out. It should be remembered that this phase of the legislation was discussed at some length when the export and import bill was before the house. I think it should also be recalled to the attention of the house that this alleged offence was not a shipment from Canada, but concerned a shipment of material from the United States. In addition it should also be pointed out that the offence was alleged to have occurred in May, 1949, and was investigated in early 1950. The operations of the company concerned have been under very close scrutiny ever since and there is no reason to suspect any breach of our regulations. There has been a great deal of care exercised.

Mr. Drew: I think it is of sufficient importance, without debating the matter, to point out that no matter how any company may conform with our own regulations I am satisfied that the people of Canada feel sufficiently strongly about doing anything directly or indirectly which might assist our only possible enemies, that no device which may conform with our export laws but which results in the ultimate delivery to countries beyond the iron curtain should be permitted. When it is discovered I think every appropriate step possible should be taken to make sure that our regulations prevent indirect as well as direct delivery of substances of this kind.

Right Hon. L. S. St. Laurent (Prime Minister): I think the house as a whole would wish to be assured that the government is in full sympathy with the thoughts expressed by the leader of the opposition (Mr. Drew) with
[Mr. McIlraith.]

respect to possible procurement from Canadian sources of strategic materials by countries behind the iron curtain. It is something which is perhaps difficult to deal with but the government wishes to have all its officials do everything possible to make it as sure as can be that no strategic materials from Canadian sources can be obtained by countries behind the iron curtain, whether there be apparent compliance with the regulations or not. If we find that by apparent compliance with the regulations there are still loopholes, we want to plug those loopholes because we feel, as does the leader of the opposition, that the people of Canada do not want strategic materials from Canadian sources to become available to countries behind the iron curtain.

[Later]:

Mr. Drew: On a question of privilege, I wish to refer to a word that I used in relation to the export of strategic materials. I recognized as I sat down that it might convey an impression that certainly is not in my mind. I said that we would not wish to have any arrangement whereby, directly or indirectly, strategic supplies or any supplies could go to the countries beyond the iron curtain that would build up their economic or defensive powers. I naturally did not use the word "defensive" in the sense of building up defensive strength because the reason that we are so concerned as Canadians about any strategic materials going there is that we recognize it is not for the purpose of building up defence but for building up their aggressive power. I wished to make that correction so that the word "aggressive" may be used instead of a word that has perhaps come to be used rather loosely as relating to military preparations.

MING SUNG INDUSTRIAL COMPANY

USE OF CANADIAN FLAG

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Since this may be the last opportunity during the present year, may I ask the Prime Minister if he can state to the house what the present situation is and what steps the government has taken in regard to the Ming Sung company.

Right Hon. L. S. St. Laurent (Prime Minister): Perhaps the Minister of Finance might inform the house as to what is the position with respect to the Ming Sung company.

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, I think the Prime Minister gave the house some information on this question