

of those 34 sensitive areas where consultation is required, he consults with both the Departments of National Defence and External Affairs and acts only after agreement with those two departments. If the application is a particularly significant one, either in quantity or because of the political circumstances surrounding it, and even though the three ministers may have agreed to the permit, the matter is referred to the whole Cabinet.

In the case of shipments to NATO or most Commonwealth countries, the Minister of Trade and Commerce may act after consultation only with the Department of National Defence, in order to make sure that security and supply factors are considered as well as our own defence requirements.

In all cases where government surplus supplies are involved, the matter must also go to the Treasury Board for approval. Even after there has been ministerial agreement on an export permit, that board, a committee of the Cabinet, may also ask the full Cabinet to reconsider a decision taken.

Export of Harvard Aircraft to Egypt

Now, having indicated the procedures laid down, I should like to show how they were applied to the case of the 15 Harvard trainers approved for export last July.

In the spring of 1955 a supplier of these aircraft received enquiries from qualified representatives of the Egyptian Government concerning 15 Harvard trainers. There were also received at the same time somewhat less formal enquiries about F-86 jet fighters. There was no problem regarding the jets. The reception by the Government to the idea was negative and the matter was dropped even though that order, and others for jets about which we have been approached from other quarters, would have been very attractive commercially and would have assisted in maintaining work and employment in our aircraft industry.

As for the Harvards, the matter was brought to the attention of the Department of Trade and Commerce by the company and referred by that department to the Department of National Defence and the Department of External Affairs for an opinion. The Department of National Defence studied the matter from the point of view of possible domestic requirements and of the military implications of supplying these aircraft to the particular government in question.

Information was also exchanged with certain friendly governments about the request. No objections were raised to the transaction from these or any other quarters. After all these steps had been taken, and as the matter in my judgment raised no new policy issue or important international consideration, and as the planes could not be made into effective combat aircraft, and as the request fell within the criteria I have mentioned already, I gave my approval. The Minister of Trade and Commerce (Mr. Howe) was so informed and an export permit was issued in due course, the first week in September.

Before proceeding further I should like to answer the question addressed by the Leader of the Opposition (Mr. Drew) to the Prime Minister (Mr. St. Laurent) in these terms:

Whether any field artillery weapons are being or have been dismantled and the parts sold separately by the War Assets Corporation under circumstances which would make it possible for those parts to be sold outside of Canada.