



STATEMENTS AND SPEECHES

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THE MIDDLE EAST

Statement by the Secretary of State for External Affairs,
Mr. L. B. Pearson, in the House of Commons on January 24, 1956.

Export of Military Equipment to the Middle East

I propose this morning to discuss first the question of the export of military equipment to the Middle East and secondly--and this I hope will put the first question in perspective--the political situation in that part of the world, with particular reference to the relations between Israel and her Arab neighbours.

As to the first question, I wish to outline the principles which governed the policy of the Government in this matter and then give particulars regarding the application of those principles and that policy, both as to the procedures that are followed and the results in terms of shipments over the last two years.

Now, what are the principles, the rules governing the shipment of military equipment from this country? These principles are the result of careful consideration and are, I think, sound and reasonable. The decisions based on them are made only after studying the relevant factors in every case submitted to us. The system of controls and checks through which policies and decisions are carried out is as effective as that of any other free country.

The basis of our control system is the Export and Import Permits Act of 1954, which superseded the Export and Import Permits Act of 1947. Incidentally, both these acts were discussed in the House and the earlier one was referred to a committee, and in all the discussion of these two acts no reference was made at that time by the hon. members opposite

to the question of arms shipment. Under the act of 1954 it is illegal to export or attempt to export to any destination affected any item included in an export control list except under an export permit issued by or under the authority of the Minister of Trade and Commerce.

The exporter must present this permit at the time he clears his shipment through Canadian customs at the port. The Minister of Trade and Commerce has the power to amend, suspend or to cancel permits if changing circumstances should render this necessary after issuance of a permit and before a shipment is made. The act provides severe penalties for those convicted of offences. The powers for enforcing the controls imposing severe penalties, and revoking permits if circumstances so require are provided in that act. Shipments are, of course, checked by the customs authorities at the ports and action can be taken then as well as at the permit stage if required. Procedures are also laid down to prevent diversion and there is co-operation with many governments in the free world to ensure that so far as possible such procedures are effective.

There was published in the Canada Gazette on May 27, 1954, the export control list established in accordance with the provisions of the act. Group 8 within the list is headed, "Arms, Ammunition, Implements or Munitions of War; Military, Naval or Air Stores". The list of arms, aircraft, etc., specifically includes parts of these various items. So much for the legislative basis of our policy.

The following principles govern the policy of the Government in carrying out this act.

(1) In the case of certain allied and associated states, for example, NATO and most Commonwealth countries there are no restrictions on the export of military equipment except-and the exceptions are important-those of supply of domestic requirement and of security.

(2) No shipment of any kind to the Sino-Soviet bloc is permitted.

(3) Shipments of any significance are made to other areas only after consideration and approval at cabinet level, according to a procedure which I will later describe. Special attention is given-and special care shown-in respect of areas of tension or strife or what we call sensitive areas. A list, of such areas, they are now 34 in number, is kept and, naturally, is modified from time to time as conditions change.

(4) Arms shipments are made only to the defence department or regular military establishment of the

country concerned; and the recipient government may be required to give appropriate assurance regarding re-export.

(5) Shipments are not permitted if, in our opinion, they exceed the legitimate defence requirements of the state in question or which would themselves constitute a threat to neighbouring countries.

(6) Shipments are not permitted to sensitive areas of arms of such a character that they might increase any temptation to commit an aggression or begin a preventive war.

It is not, however, our policy to put a complete embargo on arms shipments except to the Sino-Soviet bloc, or to other countries, if any, who are a threat to our own security or where the United Nations has declared an embargo.

Am embargo on all shipments in other cases, if it became general international policy and practice in the free world, might frustrate the right of nations under the United Nations Charter to defend themselves; or it might drive them wholly into the arms of Russia and its satellites as the only source of supply. It might perpetuate inequalities between states in respect of their defensive capacities, thereby creating fear and insecurity; and encouraging aggression. One state might, for instance, have its own defence industries, and another-its neighbour-might be wholly dependent on imported defence equipment. An embargo could not possibly operate fairly in such cases, and might indeed encourage armed conflict over disputed territory. I can assure you that this is no hypothetical argument.

Let us see, for instance, how such an embargo-if it could have been agreed on and enforced internationally-would have operated in the Middle East in respect of Israel and its Arab neighbours. I gather from observations made in this House and outside that this is the policy that is advocated by at least certain members of opposition parties.

This area has been one of tension and unrest and indeed danger from the very day that the State of Israel was created. That creation-it should not be forgotten-was the result of a United Nations decision which Canada supported. If the embargo principle had been adopted, Israel would have been completely powerless to defend her very existence; unless she had agreed in desperation to throw herself into the arms of communist suppliers. If it had suited their purposes, and for a price-and it would have been a high price-the Moscow government which controlled these suppliers would have been quite happy to arrange such a deal.

An alternative, which could be in hon. members' minds, would have been to permit certain quantities and types of military equipment to go to Israel during this period of tension and to allow nothing whatsoever to go to any Arab state in any circumstances. That would, of course, have been considered as an unfriendly policy by those states with which Canada has normal diplomatic relations. Neither this policy nor that of the complete embargo for both sides has, so far as I know, been adopted by any country. Indeed a policy of control which has been adopted by the United Kingdom, the United States and France, the policy which has been accepted by the free world, is that which we ourselves are now following.

Another important principle which we have followed is that of consultation and exchange of information about orders and requests—except those of no significance in quantity or nature—with certain governments who have special responsibilities in this field. We do that so that one country may know what the others are doing and thereby ensure that so far as possible the principles that I have mentioned above are adhered to.

If, for instance, we are asked to supply some ammunition for 25-pounders for a particular country—and we have been asked for that, and it is still before Cabinet—we try to find out, before taking any action, not only whether such an order would be excessive having regard to the number of guns involved, and existing stocks, but whether orders for this ammunition have also been received by other governments. The responsibility for the decision, however, is of course ours.

Now, what is the procedure by which this policy is carried out?

Under the law, as I have said, the export permit must be given by the Minister of Trade and Commerce. Before doing so, if the destination is one 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.

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.

That was the question. I am informed by the corporation, on the basis of a check going back to January 1, 1952, that where any gun barrels or breech blocks have been disposed of they have been sold as scrap and in respect of each sale there is evidence available that they were mutilated prior to delivery as scrap. Such scrap also requires an export

Surplus field artillery or surplus artillery parts, as opposed to scrap, that is to mutilated parts, can be sold abroad but always subject to the export control procedures I have mentioned.

What are the results of this policy in respect to arms shipments to the Middle East? An impression may have been created that Canadian arms were flowing into that area in great quantities. That is not the case. The amounts involved are small and do not contravene the principles which I have outlined as governing our policy. The impression may have also been given that we were releasing modern and dangerous weapons whose capabilities could disrupt the military balance among the countries in that region and encourage all-out aggression or an arms race. That also is not the case.

There are certain figures I should like to give and I give these figures although similar figures are not given in respect to arms shipments by other countries. In 1954 export permits for military equipment to the value of \$735,574.60 were granted for Israel; for Egypt the figure was only \$296; for all other Arab states, none.

In 1955 the figure for Israel was \$1,332,110.59; for Egypt, \$770,825; for all other Arab states, \$70. The figures for the two years were \$2,067,685.19 for Israel, and \$771,121 for Egypt.

The Harvard trainers and spare parts for them were responsible for practically the whole of the Egyptian figure. The main items covered by the other figures are:

Harvard aircraft parts

75 mm. shells

Anti-tank equipment

Tracks and spare parts for world war II type tanks
(Shermans)

25-pounder guns and accessories

.303 calibre Browning machine guns

3.7" anti-aircraft guns, accessories, spare parts and ammunition (This was a large proportion of the total)

The anti-aircraft guns are of course defensive weapons, and the 25-pounder guns are trailer guns in this case. In respect to the tank tracks and spare parts, which constituted a rather large proportion of the total we were at our request given written and official assurances that they would not be re-exported and that they were all required for normal maintenance

and servicing purposes for the existing stock of tanks. I have available the exact descriptions by item, quantity, value and destination of all the items covered by the totals I have mentioned. I am reluctant to make these figures public as the government--there is only one in this case because in the case of Egypt the totals amounts involved, the information might be prejudicial to her security. I would, however, be happy to let any hon. members who may desire, see all these details in confidence.

These figures show what has been approved. If there could be shown a similar table for the dollar value of the requests for military equipment that have not been approved the amount would be many times as great. Some requests had to be refused in toto, such as those for F-86 jet aircraft. Others covered a legitimate requirement of a type which did not contravene the principles we had established but in our opinion the amount was excessive for such requirements.

I mention these cases of rejection to make it clear that the procedures I described earlier are not a complicated method of in fact releasing everything we are asked for. The procedures do constitute an effective control system. This control has been applied because in the view of the government it is important that Canada should not contribute to the development of an arms race in the Middle East or any place else; that is, should not permit exports which would give either of the conflicting sides--if there is a conflict, a political conflict--a military advantage which the other would be bound to try to correct by increasing its military purchases in turn.

The Political Situation in the Middle East

I should like to turn now to the political situation in the area in order to give the background to the question we have been discussing. It is a situation which has been disturbing and unsettled, as I have already said, since the very foundation of the State of Israel. It is becoming increasingly clear that some solution must be found for the problem of the relationship between Israel and her Arab neighbours if that situation is to improve. If it does not improve it will get worse and the danger of conflict will increase. This is especially the case because there are governments which are cynically hoping to obtain political advantage from keeping the Arab-Israeli dispute burning without any concern for the damage that this would cause the Israeli and Arab people, or the danger to peace that might result. I think there would be no contribution on our part to improving the chances of peace in that area by cutting off all shipments of defence equipment to the State of Israel, if that is the policy of my hon. friends opposite.

It is the realization of this danger, the danger of conflict, which prompted Western statesmen recently to offer the assistance of their governments and themselves in helping Israel and the Arab States find a solution for their disputes and problems. We in this government are very much in accord with the spirit of such pronouncements which point to the necessity of a settlement based on conciliation, understanding and compromise, which alone can afford a real basis of security and prosperity for both the Arab and Israeli peoples. The difficulties are great and the dangers are very real, as they always are when passions are high and feelings are deep.

We can sympathize with and understand the fear felt in Israel when they hear across their borders threats of destruction; and, of course, the United Nations did not establish the State of Israel in order to see its obliteration. Similarly, we can understand the feelings of Arab peoples at the alienation of land which was occupied by Arabs for centuries; we can sympathize with the sufferings of the many thousands of Arab refugees who have been made homeless. But surely to both sides the advantages of a confirmed and secure peace, instead of the present condition of precarious armistice, are so great both economically and politically that a negotiated settlement should not be impossible.

I cannot mention the armistice without paying tribute here, and I know the House will join me in this, to the work of Major General Burns, the chief of the United Nations Truce Supervision Organization for Palestine. He is not, of course, serving as a Canadian but as a United Nations official. Nevertheless, since he is a Canadian, I am sure that all hon. members are as proud as I am of his devoted and skilful work in safeguarding the armistice in most difficult and, indeed, at times dangerous circumstances, and of the high regard in which he is held by both sides for his sincerity and impartiality.

As hon. members know, I have had the privilege recently of exchanging views with Israeli and Egyptian leaders. In July the Egyptian foreign minister visited Ottawa and I had the honour of being received by the Premier of Egypt, Colonel Nasser, at Cairo on my way back from Southeast Asia in November. I might at this point answer a particular question put to me by the hon. member for Prince Albert Mr. Diefenbaker when he inquired whether I would "equalize" Canada's position in the Middle East by going to Israel, in view of my visit to Egypt. I hope that it may soon be possible for me to visit Israel to see for myself the exciting and constructive things that are being done there. The reasons why I could not do so during my recent journey have been fully explained already, and I will not waste the time of the House in repeating them here, especially as they were made known to and understood in Israel at that time. I was all the more pleased, therefore, because I had not been able to visit Israel on this trip.

to welcome to Ottawa at the beginning of December Mr. Sharett, the Foreign Minister of Israel, who came here at the invitation of the Prime Minister [Mr. St. Laurent]. I agree whole-heartedly with the hon. member for Prince Albert that our attitude should be "equal" but I doubt whether anyone would seriously contend that the criterion of such an attitude is an exact and prompt balancing of my journeys to foreign capitals. This "equality" which, as I say, I endorse, must rest on a sturdier basis than that.

In any event, during 1955 two cabinet ministers, two senators and six members of parliament visited Israel from Canada and each spent some time there. The members included the leaders of two parties, and, above all, they included the hon. member for Prince Albert himself. I am flattered, indeed, I am flabbergasted, by the suggestion that all of these visits by such distinguished Canadians were more than equalled by a day and a half stopover by me in Cairo on the way home from a Colombo Plan meeting.

My own discussions with Egyptian and Israeli leaders about the problem of the Middle East and my study of these problems, which I share with others in the House, have left me with the impression that, while the issues are complex and difficult, and even dangerous, there is a basic desire for peace on both sides because it is realized, it must be realized, that this is indispensable to social and economic progress. There seems, then, to be at least this foundation upon which a settlement could be reached.

I believe that the Western powers are ready and anxious-I know that Canada is-to assist in the achievement of a settlement. I hope sincerely that the Soviet Government and its friends are equally anxious. If they are, they will not stimulate and encourage an arms race in the Middle East which can have no good result, except for the political machinations of the stimulators. I agree, of course, with the hon. members for Winnipeg North that the way to blunt the machinations of those who seek to gain advantage from inflaming the troubles of the Middle East is to bring about peace there. I am sure any Canadian Government any government, would wish to do what it could, along with other similarly disposed governments, to assist in bringing about such a peace.

With all respect, however, I do not think that the speech of the hon. member for Winnipeg North made much of a contribution to that end. Among other things he complained of the "passionate admiration" of officials in the London foreign office for the Arabs. His own attitude seemed to me to be one of passionate hostility to the Arab governments. Passion on either side of this issue is not likely to help; indeed, it already has hindered and bedevilled the chances of a settlement. The hon. member implored this Government to pay a "more significant part" in bringing about such a settlement. The attitude he took

in the House, however, would make it more difficult, not less difficult, for any Canadian representative, if he were charged with any responsibility in this matter, to be considered as an impartial and objective conciliator and to pay effectively what he referred to as an "honourable part".

It is easy enough to criticize indiscriminately those powers and those persons who have had to cope directly with this complex issue. It is easy enough to put forward proposals which fortunately no one is expected to put into practice. If our response to recent Soviet moves in the Middle East were to abandon friendly relations with the Arab States and support Israel, completely and exclusively, with our diplomacy and our arms, then we should indeed be playing the communist game. The moral position of the Western powers in that area is based on the fact that they have, though not without mistakes and contradictions, tried to preserve peace on a basis of mutual accommodation rather than on the triumph of one side over the other. I suggest we must not abandon that position because the Russians have done so for their own purposes.

The important question is, however, how can an honourable and satisfactory solution be brought about? The main issues are now commonly known. It seems clear that both sides, if they recognize the desirability of a settlement, must give something to achieve it, must make some compromise. There can never be a negotiated settlement where one side or the other remains adamant. Each must enter into negotiations prepared for some sort of give and take although, of course, no one would expect one of the sides to make prior or unilateral concessions.

It seems to me that an essential, indeed, a first requirement, is that the Arab states should recognize the legitimate and permanent existence of the State of Israel. That, as I see it, necessitates abandonment by them of the impractical stipulation that we must return to the United Nations resolutions of 1947 which provided for a divided Palestine. The Arab states took up arms to prevent these resolutions becoming effective and I do not see how they can claim the right to have them accepted now as the price of peace in that area. The people of Israel have the right to know that their national existence is not at stake. That seems to me to be fundamental. Efforts to bring peace and all its benefits to the Middle East will be of no avail unless Israel and the people of Israel are released from the overhanging fear which naturally envelopes the country as a result of the threats of destruction and of the political and economic warfare directed against it by its neighbours. Deep fear leads to desperate acts which, though they cannot be condoned, may at least be understood. Surely it is essential, therefore, that this basic cause of fear must be removed if there is to be a solution of the Arab-Israeli dispute.

Just as we should like to see Israel freed from the fears and economic pressures which are being imposed on her, we must also hope that the Arab populations will be enabled to move forward toward their goals of economic betterment and social progress. There have, indeed, been concrete proofs that this is the hope of the West.

It may perhaps be said that there is fear also on the part of the Arab states lest they should be attacked. But so far as I am aware, the 1950 tripartite declaration of the three leading Western powers is still valid, that they would oppose the changing of borders by force. Moreover, the United Nations is dedicated to the prevention of aggression and the House will be aware of the fact that only recently the security council of the United Nations, in considering a most regrettable development of the Arab-Israeli dispute, gave unanimous evidence of its determined opposition to the resort to aggressive force. These I maintain, are no inconsiderable safeguards. They would be even stronger if there were permanent frontiers settled by negotiation.

The Arab states on their part are, however, entitled to certain assurances. There must be a fair and honourable solution to the problem of Arab refugees. That is a subject which my hon. friend touched on the other day. The unhappy plight of these refugees is of serious concern not only to the Arab countries and to Israel because it poisons their relations but also, for humanitarian and political reasons, to the whole free world. These unfortunate people have largely been maintained by the United Nations, and Canada has contributed its share toward their support. But that cannot go on much longer. Shelter and a dole are pitiful substitutes for a permanent home and opportunities for gainful work. As I see it, some compensation should be paid these refugees by Israel for loss of land and home. But it is clear that so large a number cannot return to their former land, which is now in the State of Israel whose total population is less than two million; nor in all probability would many desire to live in what would now be to them an alien country. A limited amount of repatriation might be possible such as that which would be involved, for example, in the reuniting of families. For the rest, resettlement as an international operation, to which Israel among others would make a contribution, seems to be the only answer.

But even more important is the question of boundaries. There are at present armistice demarcation lines. They are therefore lines which have not been finally determined by a peace settlement. I believe that they could be susceptible to readjustments. This, of course, is by no means to suggest one-sided concessions of territory or any such thing as the "truncation" of Israel which would be crippling to the new state. But perhaps certain boundary rearrangements could be made so as to produce mutually acceptable permanent borders. There is no

doubt, in my mind at least, that if the permanent borders could be agreed upon in this way the United Nations would be deeply interested in the maintenance of their security.

In return for the international guarantee which might result from this interest, with security and stability in the area which would result, I should think both the State of Israel and the Arab States would be willing at least to discuss such readjustments at a peace conference table. It seems to me also that any state which would refuse to discuss peace at such a conference table-and on some such basis of principles as that outlined above, although sketchily-would be taking on a very heavy responsibility indeed. I share, however, the optimism of the Secretary-General of the United Nations, who is now visiting this area on a mission of conciliation and peace that such an uncompromising attitude will not be adopted by anyone and that a settlement based on justice and security will be found. Please God it may be so that this tense and torn area, the Holy Land of so many millions, may become again a land of prosperity and of peace.

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