

It seems to me not to be a matter of matching manpower and resources, or, in other words, military and industrial potential, between three or four dominant states. What we must strive for is close cooperation among those great states themselves, and all other like-minded countries. Behind the conception expressed by Lord Halifax and Field Marshal Smuts there lurks the idea of inevitable rivalry between the great powers. Could Canada, situated as she is geographically between the United States and the Soviet Union, and at the same time a member of the British commonwealth, for one moment give support to such an idea?

The Moscow declaration on general security forecast a system which would involve for its effectiveness, firm commitments by all peace-loving states to do their share in preserving peace. Britain, the United States and the Soviet Union were all represented at the Moscow conference. What would seem now to be suggested is that the prime Canadian commitment should be to pursue in all matters of external relations—"in foreign policy, defence, economic affairs, colonial questions and communications," to cite the words of Lord Halifax—a common policy to be framed and executed by all the governments of the commonwealth. I maintain that apart from all questions as to how that common policy is to be reached, or enforced, such a conception runs counter to the establishment of effective world security, and therefore is opposed to the true interests of the commonwealth itself.

We are certainly determined to see the closest collaboration continue between Canada, the United Kingdom and other commonwealth countries. Nothing that I am saying should be construed as supporting any other view than this. Collaboration inside the British commonwealth has, and will continue to have, a special degree of intimacy. When, however, it comes to dealing with the great issues which determine peace or war, prosperity or depression, it must not, in aim or method, be exclusive. In meeting world issues of security, employment and social standards we must join not only with commonwealth countries but with all likeminded states, if our purposes and ideals are to prevail. Our commitments on these great issues must be part of a general scheme, whether they be on a world basis or regional in nature.

We look forward, therefore, to close collaboration in the interests of peace not only inside the British commonwealth, but also with all friendly nations, small as well as great.

[Mr. Mackenzie King.]

Mr. GRAYDON: I asked the Prime Minister questions respecting the home defence army, General McNaughton and the overseas structure. I take it the Prime Minister is going to wait until the Minister of National Defence (Mr. Ralston) provides an answer.

Mr. MACKENZIE KING: Well, unless I run wholly counter to the counsel given me by my hon. friend, not to take up too much time in the debate on the address, I cannot begin to run over the various subjects to which he referred in the course of his remarks. I believe the statement with respect to Canadian defence will be best given by the Minister of National Defence.

Mr. GRAYDON: I have no objection to that; I was just asking for information.

Mr. MACKENZIE KING: Matters respecting aviation will be best dealt with by the Minister of Munitions and Supply (Mr. Howe) who, as the house knows, has been giving special attention to those matters. I am not purposely avoiding them, but I simply wish the house to realize that I am not the government. This is not a despotism.

Mr. GRAYDON: Pretty close to it.

Mr. MACKENZIE KING: It is not a one-man affair.

Mr. HANSON (York-Sunbury): I would say so.

Mr. GRAYDON: I am not so sure about that.

Mr. MACKENZIE KING: It represents collective opinion—a consensus.

Mr. GRAYDON: Collective security.

Mr. BLACKMORE: Mr. Speaker, would you call it six o'clock?

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

EXCESS PROFITS

LIMITATION FROM JANUARY 31 OF TAX ADVANTAGE IN RESPECT OF CHARITABLE CONTRIBUTIONS BY BUSINESS CONCERNS

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, the hon. member for Lethbridge (Mr. Blackmore) kindly consented to my having two or three minutes in which to make a statement.

Evidence is developing that business concerns which are subject to tax at the 100 per