

mention some concern over the proposed 20 per cent advertising-tax on Canadian editions of United States magazines. My explanation to him of the nature and purpose of this proposal will serve, I hope, to lessen his concern about it.

Having to make this statement, I would not want to end it without expressing once again my grateful thanks to the President and the government of the United States for the kindness and friendly hospitality which they showed us during our visit. I would also like to express my sincere appreciation of the opportunity thus afforded to me to become acquainted with the President of Mexico and to renew my acquaintance with the foreign minister of Mexico. It should be a source of real gratification to all Canadians that the relations between Canada and Mexico are developing in such an important and satisfactory way.

### Distant Early Warning Line

The following statement was made in the House of Commons on April 11 by the Prime Minister, Mr. St. Laurent, regarding the manner and operation of the Distant Early Warning Line:

On March 20 the Parliamentary Assistant to the Minister of National Defence made a statement respecting the manning and operation of the Distant Early Warning Line and a number of questions were asked afterwards which I should like to deal with at this time. I wish to emphasize at the outset that this Distant Early Warning Line and other radar stations which have been discussed from time to time are for continental and not exclusively Canadian defence, just as certain joint defence projects in Western Europe are for collective rather than merely national defence. That being the case, it seems to be appropriate that the United States, as the larger country with the most at stake, should have a major share of responsibility for these joint defence projects, even though they may be situated in Canadian territory.

As hon. members will recall, on February 22, 1955, I explained Canada's role in providing our share of these continental early warning arrangements. I pointed out then that as part of the over-all effort Canada had undertaken to finance, construct and operate the Mid-Canada line. I also indicated that following joint Canada-United States announcements, which were made some months previously, and copies of which I tabled at that time, the United States had undertaken responsibility for the construction of a distant early warning line. Subsequently, an agreement, in the form of an exchange of notes, was made with the United States covering the construction of this line in Canadian territory. That agreement was tabled by the Secretary of State for External Affairs (Mr. Pearson) on May 20 last. It outlines in detail the conditions under which the United States was authorized to build the line in the interest of defence of our two countries. It also preserves, as the minister said, the principle enunciated in the joint declaration of February 12, 1947, on defence co-operation that all co-operative arrangements will be without impairment of the control of either country over all activities in its own territory.

If hon. members will recall, it was indicated in the exchange of notes that the United States would carry out construction of the distant early warning system through a management contractor appointed by the United States, and that in fact is what happened. They will also note amongst other things that Canadian contractors would be extended equal consideration with United States contractors in the awarding of construction contracts; that, as far as practicable, electronics equipment would be manufactured in Canada; that preference would be given to Canadian labour; that nothing shall derogate from the application of Canadian law in Canada