

NATO—European Defence Community

document has to ratify it, and if one is unable to ratify any single document, then we must try to find a new approach to this vital problem of the association of Germany with western defence.

Mr. Graydon: I understand there are 47 separate ratifications.

Mr. Pearson: There will be a great many, and I think there is not much likelihood of any government being rushed into an action which it does not desire to take as a result of pressure from outside, or indeed pressure from minorities inside.

There is not much more I can add now to what has already been said, Mr. Speaker. I was very interested and impressed by the observations of the hon. member for Greenwood (Mr. Macdonnell) when he said, "We are not entering into this arrangement because we expect the Germans or anybody else to love us as a result of it." We must not fool ourselves in that respect. As a matter of fact, a few years ago a wise editor said: "Don't try to make your neighbour love you; it will only make him uncomfortable. Try to win his respect." I suggest that the best basis for developing the association of North Atlantic countries with Germany is the basis of mutual respect, and I think it is fair to say it is on that basis that these documents, including this protocol, have been negotiated. I agree that we need not force this situation, but I agree also that we should take advantage of it and this is the time to do so.

The hon. member for Peace River (Mr. Low) said that he would not be able to take the responsibility of approving this protocol because he did not feel that sufficient time had been given to consider it, and that he would leave that responsibility to me. Of course, Mr. Speaker, it is not any personal responsibility of mine; it is the responsibility of the government, and indeed it is the responsibility of parliament to accept or reject this resolution. But if it were my personal responsibility I would be very glad indeed to take it on this occasion because I think that, with all its risks, with all its difficulties, and with all its uncertainties this is a move toward peace, especially peace in Europe, and a peace in a Europe with which will be associated the free democracies across the Atlantic. Therefore if I were forced into that position I would not be reluctant to take this responsibility. But I would not be happy, as a Canadian, to take any responsibility for defeating a move so important, as I see it, to our own safety and to peace as the building up of the European defence community, including those two old opponents, France and Germany, and the association of that community with the strongest deterrent we

[Mr. Pearson.]

now have to prevent aggression, namely the North Atlantic Treaty Organization.

Motion (Mr. Pearson) agreed to.

WAR RISKS INSURANCE**ESTABLISHMENT OF MARINE AND AVIATION ACCOUNT**

Hon. Alphonse Fournier (for the Minister of Finance) moved the second reading of Bill No. 336, respecting marine and aviation war risks insurance and reinsurance agreements.

Mr. Macdonnell (Greenwood): Is the parliamentary assistant going to make a statement?

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, there is little I can add to the statement made by the minister on the resolution stage. This bill is intended to provide stand-by legislation so that ships, cargoes and aircraft can secure war risk insurance in the case of hostilities or even apprehended hostilities. The United Kingdom and United States governments have similar legislation on their statute books.

This is a reinsurance scheme. The ship owners themselves have formed a mutual insurance company, the incorporation of which is now before the Senate. They will provide the needed skilled administration, and then the federal government will reinsure the risk. During the resolution stage the minister was asked a number of questions and perhaps this would be the best time to answer them.

First of all the hon. member for Greenwood (Mr. Macdonnell) asked about the rates. The minister at the time said the rate was not an accurate estimate of the losses because during the war, when losses from submarines were very high, the United Kingdom government which ran the pool at that time for British shipping of all descriptions deliberately held down the rate so the Germans would not get encouragement because of that. The rate fluctuated from 3 per cent up to as high as 7 per cent.

The hon. member for Greenwood also asked for figures on the actual amount of reinsurance which was undertaken by the British government during the war. At that time our Canadian firms took out such reinsurance through the British pools and through the British government. I have a table here; I can either place it on *Hansard* or give the net results. As far as ships were concerned, the net result was a profit, if you want to call it that—the United Kingdom ministry of transport describes it as total net premium revenue for ships—of £75 million; and on cargoes, £36 million. On the whole scheme they were £111 million to the good. Unfortunately they