

this probable difference between commitment authority and actual expenditures. Provision is therefore being made for a total commitment authority for the Department of National Defence of \$252 million for 1948-49, an increase of \$9 million as compared with the current year. This \$252 million includes \$4,000,000 for the winding up of War Activities as compared with \$22,000,000 for 1947-48. The probable cash expenditures for the year, however, are estimated at \$232 million, an increase of probably something more than \$30 million over the expenditures for 1947-48.

DEMOBILIZATION AND RECONVERSION

In the arrangement of the Estimates, certain items are still carried under the heading of "Demobilization and Reconversion", but these are now grouped directly with the other items under each Department, rather than grouped separately, as in the past two years. The total of such items is \$457,492,768, which compares with \$768,896,339 under this heading last year, but direct comparison of these totals is misleading, as certain items formerly classed under this heading are now regarded as of a continuing nature and classed as ordinary expenditure. The major items remaining under the Demobilization heading are Defence Services \$223,080,000, freight subsidies on feed grains \$7,750,000, quality premiums on hogs \$6,153,702, price control administration and subsidies \$21,990,040, veteran vocational training \$5,700,000, air surveys \$1,240,000, various housing and reconstruction items totaling \$66,329,993, and various gratuities, benefits and hospital improvements for veterans amounting in all to \$117,250,000.

DETAILS EXAMINED

Examination of the details of the Estimates reveals that a total of \$1,214,288,000 is, for all practical purposes, uncontrollable, the major items of which are as follows:

Interest on Public Debt and	
Other Debt Charges .....	\$ 455,656,000
Disability Pensions	
(World Wars 1 & 2) .....	80,014,000
Government Contribution to the	
Unemployment Insurance Fund..	17,000,000
Old Age Pensions and Pensions	
to the Blind.....	65,000,000
Other Pensions and	
Superannuation.....	14,564,000
Family Allowances.....	267,000,000
Care of Returned Members of the	
Forces, including Veterans'	
Land Act-	
General Services.....	95,667,000
Post-discharge Rehabilitation	47,500,000
Re-establishment Credits and	
War Service Gratuities...	59,500,000
Subsidies and special compen-	
sation to the Provinces.....	98,120,000
Maritime Freight Rates Act.....	5,280,000
Other Sundry Items.....	8,987,000
	\$1,214,288,000

If this total, as well as the Demobilization total noted above, is deducted from the total for the Estimates as a whole, it will be noted that there remains a balance of only \$313,365,000 to carry on administration and the many normal established services of government, including the services rendered to agriculture, the fisheries and other primary industries. This total also includes this year many items for maintenance and repairs that have been long deferred, as well as expansion of research and certain other government services regarded as urgently necessary, notwithstanding the general need for strict economy in government expenditures at this time and the elimination or postponement of all activities not presently required in the public interest.

**POLISH ART TREASURES:** The Secretary of State for External Affairs, Mr. St. Laurent, in the House of Commons, March 5, made the following further statement regarding Polish art treasures:

Mr. Speaker, I must crave your indulgence for referring again today to the matter of Polish treasures. I do not wish to prolong the controversy, but it is only proper that all the facts be placed before the public so that they may have their own views as to their proper interpretation.

Press statements have been called to my attention in which it is said that the Polish chargé d'affaires in Canada wrote to the Mother Superior of the Hôtel Dieu in Québec city stating, amongst other things that the services of the Royal Canadian Mounted Police had been placed at his disposal to recover the art treasures which were said to be stored at that place. I have no direct knowledge of this communication or of any other communications which the Polish chargé d'affaires may have addressed to private individuals in Canada. It is not true, however, that any undertaking was given to the representative of the Polish government in Canada, either orally or in writing, by myself or any official of the Canadian government, to the effect that the services of the Royal Canadian Mounted Police would be placed at his disposal. He was informed only that, in order that he and his solicitors might undertake any legal proceedings they thought appropriate, the Royal Canadian Mounted Police would be asked to endeavour to ascertain the location of the missing articles. In order that there may be no misapprehension on this subject, I am quoting the relevant part of the letter in which the chargé d'affaires of the Polish legation was informed of the location of the articles which had been stored in Québec City.

The portion of the letter, signed by the under-secretary of state is as follows--

Mr. DIEFENBAKER: What date?

Mr. ST. LAURENT I have not the date, but it was just as soon as we got the information that these articles had been located in the city of Québec. It states:

I have now been informed by the Royal Canadian Mounted Police that certain Polish art treasures which were brought to Canada by the Polish authorities in 1940 and which subsequently disappeared have now been located at l'Hôtel Dieu, Québec city, Que. The articles at this location are said to be contained in twenty-three trunks and one wooden box and to have been stored previously at the Redemptorist Monastery at Ste. Anne de Beaupre.

As we agreed with your solicitors, we are communicating the information to you for any further action you and your solicitors may wish to take.

**FIVE-POWER CONFERENCE:** Replying to a question asked earlier on Canadian representation at the Five-Power Conference in Brussels, the Secretary of State for External Affairs said in the House of Commons, March 5:

On March 1, Mr. Attlee announced in the House of Commons in London that the United Kingdom and France had recently made certain proposals to the Benelux governments on all the aspects of western union and that the Belgian government were arranging for conversations to open on the official level in Brussels on March 4, at which there would be preliminary discussions covering the general question of economic, social, political, and defence co-operation.

Since the meeting in Brussels has been arranged to afford officials of the five powers, the United Kingdom, France, the Netherlands, Belgium, and Luxembourg, an opportunity to discuss the general considerations involved, Canada has not been invited to attend, but in accordance with the usual practice, the United Kingdom government is keeping Canada informed.

**DEATH OF JAN MASARYK:** In the House of Commons on Wednesday, the Secretary of State for External Affairs, Mr. St. Laurent, commented on the death of Jan Masaryk, Foreign Minister of Czechoslovakia, as follows:-

"Mr. Speaker, the Canadian Government and I am sure the Canadian people were shocked and grieved to learn this morning of the death of Jan Masaryk, Foreign Minister of Czechoslovakia. As the son of the late president-liberator, Thomas Masaryk, he bore one of the greatest names in Czech history; indeed, one of the great names in world history.

"Jan Masaryk had seen his father's work crowned with success by the establishment of the republic of Czechoslovakia in 1918. He devoted himself to the service of that state and of the liberal democratic ideas it embodied for the twenty brief years of its independent existence. When Czechoslovakia was occupied by the Nazis in 1939, Jan Masaryk, with that courage and resource which always characterized him, carried on the struggle from abroad until Czechoslovakia regained that democratic freedom which she has once again so tragically lost.

"On behalf of the Canadian Government and people, I wish to express to the family of Jan Masaryk and to the Czechoslovak people our deep sympathy in their great loss. His contribution to the effort to establish a peaceful democratic world of free and friendly peoples will not be forgotten.

"In making this reference to that great patriot in this house, lest there be any misunderstanding I think I should take this occasion to say that in my view the Canadian Government and the Canadian people at large associate themselves in every respect with the declaration about the tragic events in Czechoslovakia which was made by the three great powers on February 26 last."

Mr. John Bracken, Progressive-Conservative leader, and Mr. M. J. Coldwell, both associated themselves with the Minister's statement.

**EVIDENCE TABLED:** The Minister of National Defence, Mr. Claxton, on Wednesday, tabled in the House of Commons the evidence taken by the 1942 Royal Commission on Hong Kong. Progressive Conservative amendments for the tabling of correspondence between the Canadian and British Governments on Hong Kong were rejected.

**LETTERS OF CREDENCE:** The Department of External Affairs announced Thursday that Mr. César Montero Bustamante presented today, to His Excellency The Governor General, at Government House, his Letter of Credence as Envoy Extraordinary and Minister Plenipotentiary of Uruguay in Canada. The Right Honourable L. St. Laurent, Secretary of State for External Affairs, was present.

Mr. Montero was presented to His Excellency The Governor General by Mr. Howard Measures, Chief of Protocol, Department of External Affairs.

Mr. Montero entered the Foreign Service of Uruguay in 1910 and was Consul General in France, Spain and the United Kingdom. From 1941 he was successively Chargé d'affaires for the Diplomatic Missions in the United Kingdom, Belgium, Norway, Poland and the United States of America. He was appointed in 1945 Minister Plenipotentiary at the Embassy of Uruguay in London, England. He was a Delegate of his country at the first session of the General Assembly of the United Nations.

**PALESTINE PARTITION:** In reply to a question in the House of Commons Wednesday by Alistair Stewart, Winnipeg North, the Secretary of State for External Affairs made the following comment on the policy of the Government respecting the partition of Palestine:-

"The present policy of Canada was announced by the Canadian Permanent Delegate to the United Nations in his statement to the Security Council on March 3. He indicated that Canada regards it as a paramount necessity that the Security Council should make every effort toward conciliation under chapter VI of the