HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959



STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

*Chairman:* H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

THURSDAY, FEBRUARY 12, 1959

THURSDAY, MARCH 5, 1959

ESTIMATES OF THE DEPARTMENT OF EXTERNAL AFFAIRS—1959-60

Statement by The Honourable Sidney E. Smith, Secretary of State for External Affairs.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20783-7—1

STANDING COMMITTEE ON EXTERNAL AFFAIRS

*Chairman:* H. O. White, Esq.,

and Messrs.

Aitken (Miss),
Allard,
Argue,
Cardin,
Crestohl,
Dinsdale,
Dorion,
Eudes,
Fairfield,
Garland,
Hellyer,
Herridge,
Jones,
Jung,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Macquarrie,
Mandziuk,
Martin (*Essex East*),
McCleave,
McGee,
Montgomery,
Nesbitt,
Nugent,
Pearson,
Pratt,
Richard (*Ottawa East*),
Smith (*Calgary South*),
Stinson,
Valade,
Vivian,

J. E. O'Connor,
*Clerk of the Committee.*

## ORDERS OF REFERENCE

*Resolved,*—That the following Members do compose the Standing Committee on External Affairs:

Messrs.

| | | |
|---|---|---|
| Aitken (Miss) | Jones, | Montgomery, |
| Allard, | Jung, | Nesbitt, |
| Argue, | Kucherepa, | Nugent, |
| Cardin, | Lafrenière, | Pearson, |
| Crestohl, | Lennard, | Pratt, |
| Dinsdale, | MacLellan, | Richard (Ottawa East), |
| Dorion, | Macnaughton, | Smith (Calgary South), |
| Eudes, | Macquarrie, | Stinson, |
| Fairfield, | Mandziuk, | Valade, |
| Garland, | Martin (Essex East), | Vivian, |
| Hellyer, | McCleave, | White |
| Herridge, | McGee, | |

Monday, February 9, 1959

*Ordered*—That the said Committee be empowered to examine and inquire into all such matters and things as may be referred to it by the House; and to report from time to time its observations and opinions thereon, with power to send for persons, papers and records.

Friday, February 13, 1959

*Ordered,*—That the Standing Committee on External Affairs be authorized to sit while the House is sitting; and that the said Committee be empowered to print such papers and evidence as may be ordered by it, and that Standing Order 66 be suspended in relation thereto.

Thursday, February 26, 1959

*Ordered,*—That Items numbered 76 to 105 inclusive, as listed in the Main Estimates 1959-1960, relating to the Department of External Affairs, be withdrawn from the Committee of Supply and referred to the Standing Committee on External Affairs, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

Attest.

LEON J. RAYMOND,
*Clerk of the House.*



20783-7—1½

## REPORT TO THE HOUSE

Thursday, February 12, 1959

The Standing Committee on External Affairs has the honour to present the following as its

### FIRST REPORT

Your Committee recommends:

1. That it be authorized to sit while the House is sitting.

2. That the Committee be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto.

Respectfully submitted,

H. O. WHITE,
*Chairman.*

# MINUTES OF PROCEEDINGS

THURSDAY, February 12, 1959.

The Standing Committee on External Affairs met at 9.30 a.m. this day for organization purposes.

*Members Present:* Miss Aitken, Messrs. Allard, Dinsdale, Fairfield, Garland, Herridge, Jones, Kucherepa, Lafreniere, Lennard, Macquarrie, Mandziuk, Martin (*Essex East*), McCleave, McGee, Montgomery, Nugent, Smith (*Calgary South*), Stinson and White.—20

On motion of Mr. Lennard, seconded by Mr. Lafreniere, Mr. White was elected Chairman.

Mr. White took the Chair and thanked members of the Committee for honour extended to him. He then made a short statement concerning the future activities of the Committee.

On the motion of Mr. McCleave, seconded by Mr. McGee,

*Resolved,*—That the Committee be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto.

On the motion of Mr. Montgomery, seconded by Mr. McGee,

*Resolved,*—That a recommendation be made to the House to empower the Committee to sit while the House is sitting.

On motion of Mr. Kucherepa, seconded by Mr. Macquarrie,

*Resolved,*—That a sub-committee on Agenda and Procedure be appointed comprising the Chairman and 6 members to be designated by him.

The Chairman outlined, in a general way, his views concerning the work the Committee will undertake this year and invited suggestions from members of the Committee.

At 9.45 a.m. the Committee adjourned to the call of the Chair.

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THURSDAY, March 5, 1959.

The Standing Committee on External Affairs met at 9:10 a.m. this day. The Chairman, Mr. H. O. White, presided.

*Members Present:* Miss Aitken, Messrs. Crestohl, Dinsdale, Fairfield, Garland, Hellyer, Herridge, Jones, Kucherepa, Lennard, MacLellan, Macquarrie, Mandziuk, McCleave, McGee, Montgomery, Nesbitt, Pearson, Pratt, Smith (*Calgary South*), and White.—21

*In attendance:* The Honourable Sidney E. Smith, Secretary of State for External Affairs, Messrs. N. A. Robertson, Under-Secretary of State for External Affairs; R. M. Macdonnell, Deputy Under-Secretary of State for External Affairs; M. Cadieux, Assistant Under-Secretary of State for External Affairs; W. D. Matthews, Assistant Under-Secretary of State for External Affairs; Ross Campbell, Special Assistant to the Minister; W. T. Delworth, Executive Assistant to the Minister; Henry Best, Executive Assistant to the Minister;

C. Hardy, Latin American Section, American Division; J. H. Taylor, Executive Assistant to the Under-Secretary of State for External Affairs.

The Chairman observed the presence of quorum and suggested that the Committee first deal with two items of routine business.

On the motion of Mr. McCleave, seconded by Mr. McGee,

*Resolved,*—That pursuant to its Order of Reference of February 13, 1959, this Committee print 750 copies of its Minutes of Proceedings and Evidence in English and 250 copies in French.

*Agreed:* That the Chairman be authorized to appoint 7 members to the Committee's Sub-committee on Agenda and Procedure.

The Chairman called Item 76—Departmental Administration—and introduced the Secretary of State for External Affairs.

Mr. Smith addressed the Committee relating his remarks principally to his recent tour of Latin America, the Organization of American States, its economic and political aspects and its relations with Canada.

Following questioning, Mr. Smith spoke briefly on the North Atlantic Treaty Organization.

At 10:30 a.m. the Committee adjourned to meet again at 10:00 a.m. Monday, March 9, 1959.

J. E. O'Connor,
*Clerk of the Committee.*

# EVIDENCE

THURSDAY, March 5, 1959.
9.00 a.m.

The CHAIRMAN: Gentlemen, would you please come to order; we have a quorum.

I must take this opportunity of welcoming you again to the External Affairs Committee meetings.

I think at the first meeting I outlined fairly well some of the plans for the succeeding meetings. Before I call the first item of the estimates and introduce the minister, there are two matters I wish to bring to your attention. The first is the establishment of the quantity of copies of the minutes of proceedings and evidence which are to be printed. I have prepared the following motion: That pursuant to our reference of February 13, 1959, this committee print 750 copies in English and 250 copies in French of its Minutes of Proceedings and evidence. Have I a mover and seconder for the motion?

Moved by Mr. McCleave and seconded by Mr. McGee.

Mr. CRESTOHL: Are these numbers of copies similar to those in the past?

The CHAIRMAN: Yes. Mr. O'Connor informs me that last year instead of 250 copies in French we had printed 350 copies, but there was quite a large number left over.

Motion agreed to.

The CHAIRMAN: The second matter I wish to bring to your attention has to do with the Subcommittee on Agenda and Procedure. I have discussed this with several members of the committee, and with the permission of the committee I would like to increase the membership of the Subcommittee on Agenda from six to seven not including myself. Have I your permission to do that?

Agreed.

The CHAIRMAN: That takes care of the two matters which I wished to deal with.

Mr. CRESTOHL: Mr. Chairman, would you tell us who are the members now of the Subcommittee on Agenda?

The CHAIRMAN: I have asked the Whips of each party to submit names, but it is not complete yet. Consequently I would hesitate to do so at this time.

Without any further delay I will introduce the minister and ask him to proceed with his statement.

I will call the administration item, Item 76.

**Item 76. Departmental administration ..... $6,319,803**

Hon. SIDNEY EARLE SMITH (*Minister, External Affairs Department*): Mr. Chairman and members of the committee, I must accept in large measure the responsibility for calling this meeting at 9.00 o'clock. I do not like it any more than you do. I have discussed this with the chairman of the committee, Mr. White. Monday is out and Friday is out. There is no desire to hold meetings of this committee—and I know I can speak for the chairman in this respect —while the house is sitting. On Tuesdays and Thursdays we have cabinet meetings. On Wednesdays we have meetings of the various caucuses. That is the problem we are up against.

With your permission, I would like to withdraw some time just before 11.00 o'clock. The cabinet begins its meeting this morning at 10.30 and I should be there at 11.00 for certain items. (Now I am told we have to be out of here by 10.30 for another meeting.)

During my speech in the house last Thursday the leader of the opposition said that even in half an hour I could not cover the whole globe. I did, however, at the beginning of my remarks mention my trip to Latin America. With your permission I would like to make a statement in that regard this morning.

May I just say—and I say this in a most helpful mood—that we have here officials of the department who will be anxious at all times to give you information. They would not accept the responsibility to announce matters of policy. If I am not here when they are giving testimony, may I suggest that when matters of policy arise I will return to the committee to answer questions in that regard. Also I wonder—and I ask this in a helpful mood—if we might have from time to time an indication of anticipated questions to the end that we could be thoroughly briefed to discuss those topics.

In 1889 there was established a rather loose organization known as the Pan-American Union. Then in 1948 that union changed its name to the Organization of American States, the O.A.S. About that time there was a change made in the constitution of the body. The phrase which was changed was something of this nature; that any country which is an American republic is entitled to join the association.

There are those who suggest this was not the sole motive, but in 1948 I think the change in the name was made by reason of the desire of Latin-American member countries of O.A.S. to have Canada as a member. It was changed to read "American states", so the question of the monarchical principle would not arise.

As I informed the house, I went to Latin America in November. I stayed two weeks in Brazil and part of two days in Lima, in Peru. Then I spent five days in Mexico for the installation of the new president at Mexico City.

To start with Brazil, from the president, Mr. Kubitschek, down, the question was raised: will Canada join the O.A.S.? The Brazilians are not alone in asking this question. Even at Lima the foreign minister of Peru raised with me very directly the question as to whether Canada would join. At the United Nations last year official approaches were made by one of the representatives of the U.N. delegation from Ecuador as to whether we would join. This topic took up well over half the time of a meeting I held at Rio with the heads of the Canadian missions in Latin America. Since I have returned the ambassadors from the Latin American countries have approached me here in Ottawa as to what we may do in that regard.

There is a formal meeting to be held in Ecuador in 1960 and these Latin-American countries hope that there would be an acceptance of the invitation to Canada to take its seat. I have never been able to verify this, but sometimes one hears there is actually a chair, a physical piece of furniture, vacant there for Canada, and Canada has never taken its seat there. There is no doubt, and this was confirmed in my mind during my visit to the Latin-American countries, that those countries have had a dynamic growth, and that they are becoming indeed more important. In 1941, just at the outbreak of the war as far as the United States is concerned, we were very close. I gather, to joining the O.A.S. I am given to understand there was some anxiety, however, lest the Commonwealth, through Canada, would interfere with the business of O.A.S., if Canada became a member.

Having regard to the growth of the Latin-American countries, I think a strong case could be made for Canadian participation in O.A.S. I learned, not only some geography but also some psychology during my trip to Latin America. It just seems to be inherent that they do not think of the American hemisphere

as being divided into two continents. They start with the concept that it is a continental whole including South America and North America.

There were two factors which were raised; one was economic. They would like to get help from us in their difficulties. The other field is political. They feel if Canada would join the Americas it would present an unbroken front; that the whole continent would present an unbroken front vis-a-vis the U.S.S.R.

I welcome this opportunity of raising the subject before the committee. There are many considerations to be taken into account. It is a problem, and has been a problem for successive governments, to weigh these considerations pro and con.

I would like to outline some of these considerations and to outline them very frankly to you this morning. From a strictly legal viewpoint Canada may not need a specific invitation to join the O.A.S. I mentioned the change in one of the articles of their constitution a moment ago. Article 2 of the charter of the organization of American States simply states "all American states that ratify the present charter are members of the organization of American states." The word "states" replaces the word "republic." Having regard to the wording of that article in the constitution of the O.A.S, it would be sufficient for Canada to ratify the present charter, and automatically Canada would become a member of the organization. However, we would not take such an action as that. We want to find out whether we would be acceptable. On the other hand, I cannot see, from what I have heard, that the Latin-American countries would issue even a formal or informal invitation to Canada to join unless they had been satisfied from preliminary soundings—and that is what is being done now—as to whether Canada would be likely to accept a formal or even an informal invitation. So that is where the matter stands at the present time.

We have to weigh this question: would Canadian membership in the organization be to the mutual advantage of the present members of the organization and to ourselves? Twenty-one states now are members of the organization; twenty, you may say, are designated as Latin-American, and then the United States. I found in going into this question that the answer to it is not as simple as I would have expected. One does not join—and I am saying this very seriously, having regard to Canada's record in respect to its membership in various international organizations—an organization such as this as an individual would join a club. We must look at the rights, the privileges and also the obligations.

I would remind you in passing that the O.A.S. is regarded and recognized by the United Nations as a regional organization by that body.

To come back to my theme, we have no desire to join an international organization just for the mere sake of joining, just for the sake of satisfying wishes and desires that have been expressed to me. If we join the O.A.S. we must be prepared to fulfil any and all of the obligations which that membership would entail. Canada has never joined any international organization unless it was able or thought it was able to pull its weight. And of course Canada's record in fulfilling the duties and responsibilities imposed by membership in any international organization has been most satisfactory.

I wish at this time to come to the obligations that would be involved in accepting membership in the O.A.S. First of all, there are some general obligations—and I am reading these very carefully—arising from the O.A.S. charter. It would be on the condition that Canada would agree to respect certain fundamental rights of other states, a restatement of the principles of the United Nations charter, and of international law. There would also be an obligation to cooperate on economic, social and cultural matters, as well as on the incidental matter of granting privileges and immunities to certain classes of O.A.S. personnel.

Now with respect to defence obligations, Canada would be morally bound, although I do not think it would be legally bound, to sign the Rio Treaty of 1948, the Latin-American treaty of reciprocal assistance. It would be the responsibility of our military authorities to study in detail these obligations; but certain ones, even to a non-military man such as myself, are apparent. Principally, Canada would recognize that an attack against any American state is an attack against Canada, whether the attack comes from within or without the hemisphere. Further, as a regional regulation under the United Nations the O.A.S. could be called upon by the United Nations to deal with local issues. I would say here that Canada, thereby, through its membership in the O.A.S., might become more directly involved in conflicts arising in Latin-America after signing the Rio pact. The obligations of the pact range from the temporary withdrawal of heads of missions to military intervention; but I am bound to observe that these obligations might not be as far-reaching as they may appear to be on the surface. I do not think that they would be any more far reaching than obligations accepted by Canada under the United Nations charter. We must observe—and this is a political observation—that most Latin-American nations are reluctant to intervene in each other's affairs. In the second place, no state may be required under the Rio Pact to use armed forces against its wishes. That is left quite open in the terminology of that Pact and they are not compelled to participate and use armed force if that is not their wish.

In terms of personnel, I mention this, that if Canada joined the O.A.S. there would have to be participation by our military authorities in meetings that have been and are being held, not infrequently, between the opposite numbers of the 21 other states. Those meetings are held at the highest level. Then there is another aspect, that if Canada joined the O.A.S. it would feel required, I am sure, to fulfill the diplomatic obligations involved in so doing, that is, to open additional diplomatic missions very soon after joining the O.A.S. and to strengthen some of our present missions.

At the present time we have 46 missions abroad and 11 of those are in Latin-American countries; so at the present time approximately one-quarter of our representation is to be found in Latin America. Undoubtedly we would be obliged to establish a separate delegation to the Council of the Organization of American States. The council meets in Washington, and that is where we would have to place a mission. Resident Ambassadors would have to be appointed to missions now headed by Charges d'Affaires. We might be required—and the pressure might be quite heavy in this regard—to establish new missions in Latin America. That would be desirable, I know. It would be desirable if Canada could be represented in all the countries of any significance throughout the world; but we do have to establish priorities in this regard.

I would mention here that, as has been done in the past with regard to Latin America, we might give double accreditation to our representative in a particular capital. There would then, however, be pressure to establish a resident Charge d'Affaires in the other of the countries in respect of which double accreditation has been given, and that is a question of increasing our personnel and finding personnel fully qualified for those offices. These are not insuperable obstacles, but the membership would involve the strengthening of some of our missions already established in Latin America. Then, in terms of personnel—and, of course, this is an essential factor—Canada will also commit itself to participate in a large number of meetings.

Since I have come to the department I have recognized more cleary than ever before the load on our staff. We are members of the United Nations and the North Atlantic Treaty Organization; how they prepare themselves and get around to attend all the various meetings, even in those two

organizations, is a matter of great surprise to me. Their activities in this regard deserve the praise that was accorded to the staff of the Department in the debate of last Thursday.

In addition to the permanent mission that would have to be established for Canada in its relations with O.A.S. in Washington, there would be ad hoc though infrequent foreign ministers' meetings and consultations such as are provided for under the constitution of the O.A.S. Then under that constitution an inter-American conference would be held; but that meets about every five years. At this conference an 18 or 20-member delegation, headed by the foreign minister, would be expected. Then there are a myriad of organizations, subsidiary bodies in which participation would be required, and indeed we do send unofficial members to some of the meetings of some of the subsidiary bodies.

We would have to increase our personnel. That is a question of staffing and a question of financing. Abroad the minimum establishment for a new and separate mission in Washington would run into considerable numbers.

By joining the O.A.S., we would assume certain cultural obligations. One of these obligations, I think, is possibly highly desirable, and I speak with some knowledge in this particular field. There is one provision under the constitution of the O.A.S. that provides for a scholarship exchange whereby each member country grants two scholarships a year to every other member country. This would involve Canada, and I think it would be a good investment,

Subject to financial considerations, it would involve Canada's granting about 40 scholarships a year to the Latin American members of the O.A.S. The financial obligations would not be light; but I hasten to say that I do not desire to give the impression that I value our relations with any group of countries in terms of money only.

I have a breakdown here in the form of an estimate of what the initial cost might be. The establishment of a mission in Washington, the strengthening of our missions in Latin America, together with other incidental costs, would amount to something in excess of $1 million a year.

I think one might fairly say that there are few concrete and specific advantages which would visibly accrue to Canada by virtue of simply joining the O.A.S. I say "concrete". I ask this question: Would our trade pattern improve immediately? Would our defence be made easier? Would our excellent relations with the Latin-American countries be greatly improved overnight? I raise those questions deliberately. But I do say that the advantages would be of a more subtle nature and some of them would not be realized for some time.

First of all, our entry into the O.A.S. would create an awareness or increased acceptance of Canada in Latin America. There is no doubt about that; and that is what is behind these questions that have been addressed to us by the various Latin-American republics. Our happy relations with those countries undoubtedly would be enhanced by our joining the organization.

They would say: "Ah, now we are one big continental family and there is no gap in that family such as there has been up to the time of Canada's joining"—if Canada decides so to do.

On the other hand, I would ask if there are better and more efficient ways of showing our interest and friendship; but in Latin-American eyes none, it seems to me, would equal our joining the O.A.S., where our absence, to which I refered earlier, has been very noticeable. From what I have heard in the Latin-American countries, our absence from the table has indeed been glaring to some of those countries.

There is one further point I would raise in this regard. Canada's membership in the O.A.S. would have the advantage of giving the whole British commonwealth more intimate contacts with Latin America. If the opposite reason

were present in 1941—and that accounts for a reversal in the trend at that time to join the O.A.S.—I think that that day has passed, and I do not believe there would be any anxiety on the part of the O.A.S. or the United States that our membership would not be entirely acceptable by reason of our commonwealth membership. Indeed, I would turn the coin over and say that I think they would welcome that connection with the commonwealth. It may well be that the West Indies Federation, when it comes into full membership in the British Commonwealth would become a member of the O.A.S. and if Canada accepted membership and if the West Indies Federation came into that organization there would then be two from the commonwealth. There would be two representatives to put forward in some measure the views of the commonwealth, and thereby exert some influence on the deliberations and the decisions of that body.

By joining the O.A.S.—I come back to this point—Canada could contribute to holding for the west the friendship in the O.A.S. of 20 nations whose total population is already bigger and is increasing much faster than that of North America.

Also, we must come back to this point with respect to trade, that there is a good market, and should be an increasing market, for Canadian goods in that area. It could also be regarded as a source of raw materials which, if used, would assist our own economic development. I wonder whether trade would be greatly increased—I raise this question—by virtue of our membership in the O.A.S.? They are keen traders. They have their very difficult exchange problems; but, on the other hand, they have a high regard for Canadian products. Indeed, they have such a high regard that I can believe two or three stories that I heard to the effect that they will pay even more for Canadian products. But they run up against a problem, in terms of exchange and in terms of credit; and Canadian firms have lost business in Latin America, not by reason of prices, not by reason of the quality of their products, but because Canadian firms have not been in a position to give credit for purchases that would compare with credits that are extended by the Import-Export Bank of the United States.

Canadian firms have not been in a position to give credit such as is extended by countries as Germany and Japan; and it has been anticipated that perhaps at this session of parliament some steps may be taken to enable our manufacturers, for example, to extend credit of a kind that could not be assured by the commercial operation of our banks.

I was informed, that in absolute terms, we are holding our own in Latin American trade; but in relative terms we are going back, because their trade has been expanding and is expanding, and will expand; but because Canadian exports to Latin America are stated we are losing ground, in relative terms. One of the problems is that relating to credit terms that can be extended to them.

I would now like to turn to another aspect of this question, and I am going to speak very frankly in this regard. What would this do to our relations with the United States? I cannot quote directly from the conversations that I had, but I can discern one school of thought—that our membership in the O.A.S. might damage our relations with the United States; that we have our own problems with the United States, and why should we go into this arena and add to those problems?

To extend that further, it might well be—and this is an understatement—that our membership in the O.A.S. would put us in the position where the Latin-American countries might expect us, in most if not in all circumstances where there was disagreement to side with them in opposing actions or proposals or policies of the United States; and that could aggravate our relations with the

United States on matter which are not direct, concern as between Canada and the United States. That is a consideration which we have to keep in mind.

The reverse hypothesis could also be disturbing. The Latin-Americans might not long remain happy with a new Canadian member if too frequently, in their opinion, Canada sided against them and in favour of the United States in possible disagreements.

Now, having said that, I remind the committee that that possibility is always involved—it might be accentuated here—when Canada joins international organizations; may we have on occasion, through our membership, disagreed with the United States when we met them in the forum of international organizations, other than the one to which I have been referring. But those are considerations we would have to keep in mind.

I come back, however, to personnel, and I am greatly concerned about that. Our foreign service is relatively young. Most of its expansion has taken place during the last twenty years. When World War II began we had only a half dozen missions in all the world, and we had none in Latin-America.

Then I come to another point, that we are a nation of 17 million people. I made no commitment; I was in no position to make any commitment in the capitals of the Latin-American countries which I visited, but I said very frankly to them that we are a member of a number of international organizations and for 17 million people. Our existing commitments are very extensive. We work hard at the United Nations, and the contribution we make to the United Nations is of assistance, not indirectly, but directly to them. I shall mention some of the organizations under the U.N.: the world health organization; the international labour organization and the various subsidiary organizations of the United Nations. I am thinking of the technical assistance program; I am thinking of the special fund which was established; and I could go on through that list. Some of the benefits that are derived from the activities of the United Nations and its subsidiary organizations accrue directly to the Latin-American countries. We make our contribution to the world bank; to the International Monetary Fund these benefit, in considerable measure, the Latin-American countries.

As I pointed out to them our participation in NATO in its general European aspect, and in the North American aspect, is indeed an assurance to a considerable degree of Latin American defence.

I could go on through the list of the organizations which we as a middle power support and thereby benefit directly the Latin-American regions.

I would be greatly concerned if joining the Organization of American States would involve us in a situation where we might have to cut down or to slacken some of the efforts we are making in the various organizations to which I have referred, in order to make more direct contributions to the Latin American states.

There is now being considered the operation Pan-America, a proposal which was put forward by President Kubitschek, first of all last winter, that there should be established a fund for the assistance of these countries. This would be a fund, however, to which the Latin-American countries as well as the United States would contribute.

They would expect us—perhaps they expect us now, but they would expect us much more urgently if we became a member of the organization—to contribute to that development fund.

I repeat that possible membership is something which has been before Canada for many decades; I am bound to report that these overtures have been made to us not only by reason of my visit to Latin America; they were being made well before my visit in November.

That was one of the reasons I decided to go to Latin America, even if only for a period of approximately three weeks—to meet the leaders of some of those countries and at the same time to consult the heads of our missions on the spot in Latin America.

I have endeavoured this morning to put before you as clearly as I can some of the considerations that we must keep in mind. I repeat that no decision has been taken in this regard.

Mr. PEARSON: Are we to assume from the minister's very comprehensive statement that there is no present intention on the part of the government to join the organization?

Mr. SMITH (*Hastings-Frontenac*): No decision has been taken in that regard.

Mr. MCGEE: Has any decision been made as to the possible obligations we might incur in the process? Has any estimate been made of the total cost on an annual basis? You mentioned the cost involved in this operation. Has any estimate been made of its on an annual basis?

Mr. SMITH (*Hastings-Frontenac*): I mentioned an operation which amounted to over $1 million a year. It is difficult to assess what another obligation would involve—not one that we would have to agree to formally, but one in which we would be expected to do something—that is the Pan-America operation, to give it its usual designation. At the outset the present proposals called for a total of paid-up capital of $550 million. The United States would contribute $250 million; and as I mentioned earlier, the Latin American countries, certainly the more wealthy ones, would contribute to the plan's funds to the tune of about $300 million. But what *we* might be expected to do, I cannot say precisely at this time. We would have to make a matching contribution in some way.

Mr. HERRIDGE: I appreciate the minister's very objective view of the situation with respect to Canada joining the OAS, and I have a question to ask him. I can understand that we would want to study this question very carefully, when the minister has said that we would hope for subtle advantages in return for cash under other circumstances.

Mr. SMITH (*Hastings-Frontenac*): Subtle need not be insubstantial.

Mr. HERRIDGE: I wonder if the minister could inform the committee how this would affect our responsibilities and cooperation with the commonwealth, because over the years there have been certain clashes in policy and outlook on very important questions.

My second question is: would this expenditure mean the lessening of our contributions, to let us say, the Colombo plan?

Mr. SMITH (*Hastings-Frontenac*): With respect to your second question, Mr. Herridge: I endeavoured to indicate our deep concern, lest that should happen. I would be against it.

Mr. HERRIDGE: I am very glad to hear that. What about my first question? How would this affect our responsibilities in cooperation within the commonwealth?

Mr. SMITH (*Hastings-Frontenac*): It could be argued both ways. First, as I indicated a moment ago, there might be clashes in interests; in some quarters there might be a revival, in the field of ideas associated with the Monroe doctrine.

It may be that we have come past that, having regard to today's anxiety with respect to the identity of a potential aggressor against the Americas. However, it could be argued on the other side that this would be another interpretive role that Canada as a member of the Commonwealth could play, vis-à-vis Latin America.

Mr. MACQUARRIE: Mr. Chairman, I too am tremendously interested in the minister's statement, having been one of those who was rash some years ago.

Mr. SMITH (*Hastings-Frontenac*): I was looking at you when I was making my statement. I was thinking of you.

Mr. MACQUARRIE: I noted that the minister spoke about the reaction, and the suggestion that came from Latin America. I recall that in the early days of the organization in the United States was quite opposed to Canadian participation, even if it were constitutionally possible for Canada to become a member of such an organization.

I would be interested to know if the minister would care to divulge what the current attitude of the United States might be towards our membership. I have seen nothing more official than the statement of Senator Vandenberg made some years ago, when he said that we had now come to the time when Canada should belong.

I believe we could say that until quite recently an argument against Canada's participation might have been the fact that the organization was structurally even if not constitutionally, dominated by the United States. In fact, I think, it used to be called, an agency of the state department. But that of course does not apply any longer.

I wonder how many of the specialized inter-American agencies, like the sanitation unit, the geographical unit and so on, are also participating in a sort of atmospheric basis?

Mr. SMITH (*Hastings-Frontenac*): Three or four, according to my recollection. I do remember the sanitation one. Mr. Coffin speaking recently in New England, about the O.A.S. proposed that Canada become a member. We have had no formal discussion with the state department on this point; but I hasten to say that since there have been so many things of urgency that does not indicate that it has not been raised.

That is a fair explanation. But we have with us this morning Mr. Robertson, who was until recently the ambassador of Canada to the United States; and I would ask him to judge the accuracy of this statement.

Mr. N. A. ROBERTSON (*Under-secretary of State for External Affairs*): I have no reason to believe that the United States of America would be opposed to Canadian participation.

Mr. MACQUARRIE: The movement would be no less genuine?

Mr. SMITH (*Hastings-Frontenac*): Although I have no direct knowledge of the situation in 1941, I do understand that in 1941 the trend in favour of Canadian membership—the war was on at that time and the United States had not yet come into the war—was reversed by attitudes in Washington.

Mr. MCGEE: Frank Coffin also spoke at the Canadian Club in Toronto last fall and raised what were ostensibly Canadian-United States relations. He devoted most of his time to the Russian trade offensive in the South American countries. He produced what were to many of us rather surprising statistics indicating that barter arrangements of an extensive nature had been made, referring especially to lead, zinc and agricultural products in exchange for machinery from iron curtain countries. He also made a possibly more alarming statement dealing with their infiltration and control of communications in radio, press and others in South America. He placed the O.A.S. in the framework of the west's counter-offensive. I am wondering just how much of that is part of the thinking of the department?

Mr. SMITH (*Hastings-Frontenac*): I might well have mentioned that. I thank you for raising it. I can point that up by recollection. I got off the plane at Lima and was interviewed by the press. The first question they asked was: "You export lead and zinc?" "Yes". "What do you think of the the U.S.

action in this respect?" I said, "I am not very happy about it." "Why have you been able to get special deals with the U.S. and thereby make it worse for us?" I said, "That has not been done; we have had no concessions in that regard and we are in the same boat as you."

The Foreign Minister of Peru did not mention this but I could foresee the anxiety on the part of Peru and an identity of interests between Canada and the Latin-American countries.

Mr. JONES: I suppose that situation might have come up also in connection with oil?

Mr. SMITH (*Hastings-Frontenac*): I did not visit Venezuela.

Mr. NESBITT: On the subject of the Latin-American relations, would the minister care to make any comment on how self-government may or may not have affected any relations Canada may have had with Cuba?

Mr. SMITH (*Hastings-Frontenac*): I do not think I could say anything else other than that they are just as cordial as they were under the Batista regime. I say this very firmly, that I am very pleased we did not succumb to the requests for supplies of armaments and military equipment to Batista. That is a great advantage now in respect of our relations with the present government. Our stock is higher than that of some other countries of the west in that regard.

Mr. NESBITT: Along the same line, you would not say, Mr. Minister, that there was any danger whatsoever to any Canadian interests in Cuba?

Mr. SMITH (*Hastings-Frontenac*): There is no suggestion of it. I would suspect there would not be. I noticed in this morning's paper, however, that they have taken steps to expropriate a telephone company. That is my recollection from reading it.

Mr. MCGEE: There is a phrase in the charter which you quoted mentioning something about attacks from without or within. I am wondering whether the recent uprising in Cuba was classified as an attack from within, in the framework of that charter?

Mr. SMITH (*Hastings-Frontenac*): I am bound to be on the record that, although you cannot work it out in precise terms, such would be the opinions they themselves sought.

Mr. Robertson has made my understanding of your question more precise. It is within and without the hemisphere.

Mr. MCCLEAVE: I have two questions in respect of the costs. First, I would anticipate that any capital contribution we make to this fund which you have mentioned would be in the order of around $20 million. Would this be in the ordinary form of a straight capital contribution, or will it be a case of dues being paid once being paid over again, with similar contributions being made by member states from time to time?

Mr. SMITH (*Hastings-Frontenac*): I have never heard any suggestion about a formula of assessment. They have a continuing committee working now under the O.A.S. composed of permanent representatives of the countries which are members of O.A.S. It is not contemplated there will be a formal asessment. After much discussion, it will in the end result in voluntary contributions.

Mr. MCCLEAVE: The other part of the cost would be the carrying on of our organization assuming we should join O.A.S. Has there been any estimate of that cost?

Mr. SMITH (*Hastings-Frontenac*): The $1 million, as I indicated. I can contemplate in the first five years it would be heavier; we would have to obtain the accommodation for missions and so forth.

Mr. PEARSON: Has there been any uneasiness expressed since the change in government in Cuba as to the condition of Canadian insurance and banking activities there?

Mr. SMITH ( *Hastings-Frontenac*): No. We are keeping our ears close to the ground in that respect.

Mr. KUCHEREPA: Are the communists making considerable inroads into the trade of South America as compared to the United States and Canada?

Mr. SMITH (*Hastings-Frontenac*): We could mention the fund established for the export-import bank; what they are providing is in stratospheric terms.

Mr. KUCHEREPA: I am referring to the communists.

Mr. SMITH (*Hastings-Frontenac*): The Latin-Americans really do not want to trade with the U.S.S.R. I mentioned one country not identified here. Just before I was in Latin America they took a large loan from the U.S.S.R. with interest at 2 per cent. There might have been some qualification as to when the interest would start to run; there may have been some concession there. They decided in terms of their internal economy they were bound to accept these proposals. That was one country. Even when I was in Brazil tempting overtures were made by the U.S.S.R. they finally decided they would not respond to those overtures.

Mr. KUCHEREPA: You might say they have not made considerable inroads in respect to trade.

Mr. SMITH (*Hastings-Frontenac*): Not considerable; but the way the U.S.S.R. proposal has been portrayed in respect of one country is that there are no strings attached. If you look at some of those proposals, you might come to that conclusion. But, it has been found in other parts of the world that they put in technicians and professionnal persons and depend on them gradually to take over the economy of the country.

Mr. MCGEE: I do not know if trade and trade missions is a proper subject at this time, but I find it difficult to dissociate them from the economy. There have been activities headed by Kit Carson from Toronto, who headed a group of businessmen to Latin-American countries looking for business. I wonder if you are aware of any other independent activity along those lines on the part of business groups in Canada.

Mr. N. A. ROBERTSON (*Under-Secretary of State for External Affairs*): The chamber of commerce went to the West Indies.

Mr. SMITH (*Hastings-Frontenac*): They also went to British Guiana. However, I am not competent to answer fully your question on this matter. I have paid a warm tribute to the members of the Department of External Affairs, but I would also like to take this opportunity to pay tribute to the activities of the representatives of the Department of Trade and Commerce. They are working to the utmost, and to good effect. However, they do run up against difficulties, particularly with respect to terms of credit.

Mr. NESBITT: Mr. Chairman, during the minister's recent visit to South America; although it was largely in Brazil, would he care to make any comment in regard to anything he heard with respect to how the recent world-wide recession had affected the economy generally of some of the South American countries.

Mr. SMITH (*Hastings-Frontenac*): Undoubtedly it has had a very direct effect and they are deeply concerned about the stability of the price of certain commodities. Take, for instance, coffee; I discussed this matter with the foreign minister of Peru the day I left. I was able to tell him that Canadian officials, along with a group of officials of various countries, were going to participate in studying the coffee situation. He regarded this as most welcome

news. However, it is the question of the stability of the commodity prices; and in that regard I might point out that Canada's participation in the tin and sugar agreements—and there is a third one which I cannot recall—has been a matter of gratification. The third is wheat.

Mr. PEARSON: Is it a fact that our coffee imports and some of our other raw material imports from South America are via New York, and shown as imports from the United States?

Mr. SMITH (*Hastings-Frontenac*): I could not say that, as this is a matter for Trade and Commerce.

Mr. JONES: Quite apart from O.A.S., did the minister run into requests while in South America for Canadian provision of funds to assist Latin-American scholars in increased numbers studying in this country?

Mr. SMITH (*Hastings-Frontenac*): There has been little done in that regard. I know particularly of one Canadian company operating in Latin America that has provided scholarships. Some students came to Canada under that scheme; but having regard to the problem of exchange, the scheme was discontinued. I have a note here in regard to the activities of the Canada Council, and they spoke to me about this in Latin America. The Canada Council has provided scholarships for the Latin-American countries.

The national research council offers post-doctorate fellowships, and the Canada Council inaugurated its non-resident awards scheme in 1958. While there is no specific quota for Latin-American students, ten, out of approximately fifty, received awards in the council's 1958 program.

So you can see that some steps have been taken in that regard, and they were very gratified that this had been done.

Mr. JONES: I take it from what you say that they would be interested in increasing this scholastic training.

Mr. SMITH (*Hastings-Frontenac*): Yes, and as I pointed out, if and when we join the O.A.S. it would be more or less a formal undertaking to underwrite some scholarships.

The CHAIRMAN: I understand the minister has another statement he would like to make at this time. As it will take about ten minutes, and time is moving along, I wonder if you would agree to hear it now. However, it will not preclude our returning to this Latin-American question at another meeting. Our next meeting will be held on Monday at 10 a.m.

Mr. SMITH (*Hastings-Frontenac*): This is in regard to a question which was raised—and may I say with respect that it was raised quite properly, particularly at this time—in the debate in the house last Thursday. It has to do with the political cooperation in NATO and, therefore, I would like to have this statement on the record.

I would just for a moment like to go back into the history of this matter. The North Atlantic alliance is something more than a military defence pact. It provides for intimate collaboration between sovereign nations, and the habit of working together, combined with the fact that the member countries have major interests in common and share a common outlook and tradition, having provided the framework for political consultation within the alliance.

During the first seven years of NATO, political consultation was encouraged by the increasing practice of holding private or restricted meetings of the council in which free and frank discussions were possible. A milestone was reached in 1956 with the publication and approval by the council of the report of the Committee of Three. One of the members of that committee is now the Leader of the Opposition. The foreign ministers of Italy and Norway also participated in this study. On the recommendation of the committee a meeting of foreign ministers is now held each year to appraise the political progress

of the alliance. On their recommendation a committee of political advisers under the Chairmanship of the Assistant Secretary General for Political Affairs, has been meeting regularly since 1957. That has been a most useful piece of machinery.

Then, there was another recommendation, as I recall it, by the Committee of Three that there should be set up a good offices procedure, to assist in the settlement of any serious disputes between members. That was something invoked, but not with any great success, any outstanding success, in the case of the dispute about fishing rights between Iceland and the United Kingdom. No less than 127 meetings of the council were held in 1958, and that provided for consultation. Of the 127 meetings, some 70 were private meetings devoted almost exclusively to political affairs. Of course, that makes for consultation. I would remind you, Mr. Chairman, and members of the committee, that that was intensified last year. There were discussions in the NATO council regarding a summit conference, the replies to Marshall Bulganin's letters, the suspension of nuclear tests, the prevention of surprise attacks, and developments in the Middle East and Far East. It worked exceedingly well at the permanent council level.

Then, in December, 1958 a meeting of the council was held in Paris, which I and some of my colleagues attended. I say frankly that I was somewhat concerned on Sunday, December 14, when the three occupying powers and the representatives of the West German government got together and discussed the situation. Willy Brandt also attended that meeting. A communique was issued. I have reported all this information to the house.

Then, on December 16, we considered in the full council the Berlin-German situation. I am very happy to report that the anxieties we had in that regard were dissipated because the three occupying powers did not go into the council and say "you must accept our view". We discussed the matter fully and, as I said last Thursday, of the discussions came the council's communique.

I do regard the communiqué of the NATO council as more constructive, but it did not represent any lessening of the firmness of our attitude with respect to our responsibilities to the West Berlin population. But I think you will find in that communiqué more emphasis in regard to a combination of firmness and the offer to negotiate and, to use the phrase I used in the house last Thursday, without immodesty I can say that Canada made a considerable contribution to that emphasis. As I said, and I repeat here, the policy is consonant with the Canadian position. I would say also frankly that there were suggestions emanating from France that there should be a triumvirate which would get together and suggest policies. We were greatly concerned about that because we did not want and would oppose the NATO council's becoming a rubber stamp for decisions made by any three powers who are members of NATO, whether they be Canada, Norway and Denmark, or France, the United Kingdom and the United States. That question was never raised in the meeting of the NATO council. The representative for France at the meeting of the NATO council indicated that they were very satisfied with the existing type of consultation; and it was firmly decided that there should not be any new machinery set up in that regard.

It was decided that we should increase our efforts toward not only information but consultation. It was felt that it should not be formalized but that the consultative spirit should prevail in that regard.

So I can report, in answer to the question asked, that in 1958 consultation was broadened and deepened. I can assure the members of the committee at the present time that there is full consultation with respect to the crisis that may arise in the next few months.

The CHAIRMAN: Gentlemen, this brings us within a minute or two of 10.30, and another committee is meeting here at that time.

I would like to ask the members of the committee if there are any particular subjects they wish to deal with at coming meetings, not necessarily the next one on Monday, but any other meeting. If you would indicate to me the particular subjects that you might want to discuss, I will arrange to have the proper officials here in attendance. There are times when the Leader of the Opposition may have a very busy schedule and there are times when he may not be able to be present. We will as far as possible endeavour to co-operate with all members in this regard. If you will let me know, I will do the best I can.

Mr. JONES: Mr. Chairman, do you think it is necessary to have a meeting on Monday next. Certain events are taking place around here on Monday that might perhaps detract from the attendance at this particular meeting. Perhaps with the consent of the committee we might meet later on in the week.

Mr. PEARSON: I know there are events taking place here on Monday and, I suppose, on Tuesday and Wednesday. I would think perhaps that we could have a meeting Monday at 10 o'clock. I understand the minister will be here.

As far as I am concerned, I would like to follow up the question which was raised at the end of this meeting, consultation with particular respect to the situation in Berlin and Germany, and try to talk about some of the results of this consultation in terms of policy in respect to these matters I have mentioned.

Mr. SMITH (*Hastings-Frontenac*): I just say this: I hope I can be helpful and that we will have some information in that regard. I am sure the Leader of the Opposition fully knows that the wires yesterday and today are hot.

Mr. JONES: There is another question I would like to raise. Have the steering committee and the minister considered the advisability, in view of the present tension existing over the Berlin question of having maybe one meeting in camera to discuss that situation? Do you think that would be useful?

The CHAIRMAN: I can say very frankly we have not considered that. As I mentioned earlier, the steering committee is not yet complete; consequently, I was waiting until I had received all the names.

Mr. HERRIDGE: I would like to support Mr. Pearson's suggestion, and some of us I know would like to discuss what would flow from that, the Rapacki plan and possibly Mr. Macmillan's visit to Moscow.

The CHAIRMAN: The difficulty arising on Monday is due to the visit of the farm groups from the west. But we are running into this problem: we gave assurances at the first meeting that we would try, as far as possible, to hold these committee meetings while the house is not sitting, and there are numerous other committees meeting from time to time. It is becoming almost impossible to obtain a room. I think if we are going to do justice to the estimates, we will have to avail ourselves of every opportunity in order that we may cover these estimates.

The next meeting will be on Monday at 10 a.m. in room 238S. However, you will be receiving a further notice in regard to this.

This meeting of the committee is adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

*Chairman:* H. O. WHITE, Esq.

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## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

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MONDAY, MARCH 9, 1959

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## ESTIMATES OF THE DEPARTMENT OF EXTERNAL AFFAIRS—1959-60

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Statement by The Honourable Sidney E. Smith, Secretary of State for External Affairs.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20785-2—1

STANDING COMMITTEE ON EXTERNAL AFFAIRS

*Chairman:* H. O. White, Esq.,

and Messrs.

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Allard,
Argue,
Cardin,
Crestohl,
Dinsdale,
Dorion,
Eudes,
Fairfield,
Garland,
Hellyer,
Herridge,
Jones,
Jung,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Macquarrie,
Mandziuk,
Martin (*Essex East*),
McCleave,
McGee,
Montgomery,
Nesbitt,
Nugent,
Pearson,
Pratt,
Richard (*Ottawa East*),
Smith (*Calgary South*),
Stinson,
Valade,
Vivian.

J. E. O'Connor,
*Clerk of the Committee.*

# MINUTES OF PROCEEDINGS

MONDAY, March 9, 1959

The Standing Committee on External Affairs met at 10:00 a.m. this day. The Chairman, Mr. H. O. White, presided.

*Members present*: Messrs. Crestohl, Dinsdale, Fairfield, Herridge, Jones, Lennard, Macquarrie, Mandziuk, McCleave, Montgomery, Nesbitt, Nugent, Pearson, Smith (*Calgary South*), Vivian and White.

*In attendance:* The Honourable Sidney E. Smith, Secretary of State for External Affairs and messrs. N. A. Robertson, Under-Secretary of State for External Affairs; R. M. Macdonnell, Deputy Under-Secretary of State for External Affairs; Ross Campbell, Special Assistant to the Minister; H. F. Davis, Head, European Division; C. Hardy, Latin American Section; J. H. Taylor, Executive Assistant to the Under-Secretary of State for External Affairs; and W. T. Delworth, Executive Assistant to the Minister.

The Chairman observed the presence of quorum and announced the composition of the Sub-committee on Agenda and Procedure as follows: Messrs. Lennard, Richard (*Ottawa East*), Kucherepa, Crestohl, Lafrenière, Jones and Herridge.

Item 76—General Administration, was called and the Secretary of State for External Affairs was asked to proceed with an elaboration of his statement of Thursday, March 5, 1959.

Mr. Smith spoke of the Berlin crisis and outlined developments in that area since the end of World War II. He was questioned by members of the Committee.

At 11.45 a.m. the Committee adjourned to meet again at 9 a.m. Thursday, March 12, 1959.

J. E. O'Connor,
*Clerk of the Committee.*



20785-2—1½

# EVIDENCE

MONDAY, March 9, 1959.
10:00 a.m.

The CHAIRMAN: Gentlemen, I notice we have a quorum. Let us commence our deliberations.

Just before we do, however, I wish to announce the names of the members of the steering committee. They are Messrs. Lennard, Richard (*Ottawa-East*), Kucherepa, Crestohl, Lafreniere, Jones and Herridge.

We are still considering item 76, and the minister will continue his explanation of that item.

Hon. SIDNEY E. SMITH (*Secretary of State for External Affairs*): Mr. Chairman, I thank you for the opportunity to elaborate in some degree with respect to the Berlin situation. For the information of the members of the committee it seems to me highly desirable that we should get the setting for that.

Mr. Chairman, I am not going to go into great detail.

At the last meeting of the committee—indeed the first full meeting of the committee held last Thursday—just before the termination of the meeting, I spoke of consultation.

At the close of the meeting the Leader of the Opposition indicated that he would, at the next meeting, ask some questions about the extent and scope of that consultation, with particular reference to the Berlin situation.

I am not trying to be canny when I make an observation along the lines of one I made last Thursday: that at this particular time any government is somewhat restricted; I used the expression that the wires are hot. That was on Thursday. They were even hotter over the week-end with respect to communications back and forth with NATO—with our representative on the NATO council—and with our representatives in the various capitals of the world.

It is always a problem how far one should go in stating a public position at a time like this. Indeed, the very word "consultation" indicates that there should be consultation before any one member of the NATO council goes to the press and states a firm position. Indeed, the need for consultation is why Mr. Macmillan will be in Paris and in Bonn this week; and that is why he will come to Ottawa next week, and then proceed to Washington.

It is a grave situation. I think I can say this: that for me there may be more hope of a solution than appeared when I participated in the debate on external affairs on February 26.

I reiterate what I said on Thursday, that the NATO council is fully seized of this situation. They are now studying possible solutions and conducting an examination of every facet of the situation.

Now, to go back to the note that I struck a few moments ago; this involves a discussion of many points of view, some of which have been accepted already and some of which have been discarded.

I certainly proclaim the old "Wilsonian" doctrine that there should be "open covenants openly arrived at". But if I remember correctly, Mr. Pearson once said that he did not know whether the open covenant should be openly arrived at. There should be open covenants in particular circumstances but

open discussion may not be the best formula for achieving them. Having said that, I am here to give you as much information as I can subject to those considerations.

All the council members—I say again—are agreed that the Berlin situation must be kept continuously on the agenda of that body. One subject that will be coming up now will be the consideration of a reply to the notes that the U.S.S.R. sent to the occupying powers and to the other countries on March 2nd. In so far as the note to Canada in concerned this was in reply to the note we sent on February 17. I think the occupying powers sent theirs on February 16.

For some weeks now, the United States, France and the United Kingdom have made reports to council of the situation and have made it clear that they desire to get the views of all the governments represented on the NATO council.

One must realize, however, that the three occupying powers have special responsibilities that are not shared by the other members in NATO. And too, as Mr. Pearson said in the house on February 26 little if any information was given to Canada when the blockade of Berlin arose. But Canada was not as directly committed at that time as she is now. I shall refer to that matter in a moment.

Having talked about the special responsibilities of the occupying powers, I hasten to say again and to emphasize that Canada is directly concerned, having regard to our commitments. It is indeed satisfactory to report that there has been no disposition on the part of the occupying powers to disregard the views of the other members of NATO. Indeed, I turn the coin over and say that they have repeatedly requested the views of the other countries.

I anticipated a moment ago that it would be useful to get the setting in this regard. I would like first to speak of the setting in respect of the right of access of the occupying powers to Berlin.

The western occupying powers, the United States, the United Kingdom and France consider that they possess an undeniable right of access to West Berlin, and that this right is derived from the conquest of Germany.

The occupying powers take the view that because of the unconditional surrender of Germany in 1945, the allied victors had the right to occupy any part of Germany, and that included Berlin, and that the various arrangements between the wartime allies merely defined the manner in which this right of occupation would be carried out.

As was stated in the House on February 26, the right of access to Berlin is implicit in the arrangements made in 1944 and 1945 over the occupation of that city.

I emphasize that the people of West Berlin whole-heartedly welcome the continuing presence of western garrisons in West Berlin. They do not regard the occupying powers as conquerors; they welcome them as a bulwark to their own security.

Indeed, this was shown very clearly by the results of the West Berlin elections which were held last December in the course of which communist candidates campaigned for the Soviet proposal for a free city in West Berlin and received almost no support from the voters.

I have here, sir, a resumé of the various negotiations of 1943, 1944 and 1945, and then later with respect to this situation at the time of the Berlin blockade. It seems to me that it would be long and rather tiresome for those who are listening if I went through all the details, so I wonder if the committee would decide whether I could have this review of the agreements that support the statement I made printed as an appendix to what I am saying here today? There are about four pages, and perhaps the members of the committee might decide that I read them.

The CHAIRMAN: What is the wish of the committee?

Mr. CRESTOHL: Perhaps the minister could give us a summary.

Mr. LENNARD: The minister has already done that, Mr. Chairman.

Mr. SMITH (*Hastings-Frontenac*): I do not want to condense it more; otherwise I would be giving only half of the picture. But I shall say to the committee that, first, a preliminary agreement was formulated in 1944 by the European advisory commission which had been established at the Moscow conference in October of 1943. That was during the war, of course.

On September 12, 1944, the European advisory commission, made up of the three main powers on the allied side, drew up a document known as the "Protocol of the Zones of Occupation in Germany and the administration of Greater Berlin".

This was signed by representatives of the United States, United Kingdom and the U.S.S.R., and subsequently approved by the three governments. The Protocol in its final form provided, amongst other things—and I am quoting—that:

> Germany within her frontiers as they were on the 31st of December, 1937, will, for the purpose of occupation, be divided into four zones, one of which will be allotted to each of the four powers, and a special Berlin area, which will be under joint occupation by the four powers.

Those were days of great confidence with respect to the future cooperation of the allies.

A further agreement was adopted by the European advisory commission on November 14, 1944, setting more specifically the arrangements of control machinery for Germany and Berlin. Article 7 of this 1944 agreement reads as follows:

> An Inter-Allied Governing Authority—Komandatura—consisting of three commandants, one from each power, appointed by their respective commanders-in-chief, will be established to direct jointly the administration of the "greater Berlin" area. Each of the commandants will serve in rotation, in the position of chief commandant, as head of the Inter-Allied Governing Authority.

Reference to occupation of Berlin was also made in the agreed statement of the heads of government of the United States, United Kingdom and U.S.S.R. following the Yalta conference. A section of the agreed statement of February 11, 1945, was in the following terms:

> Under the agreed plan, the forces of the three powers will each occupy a separate zone of Germany. Coordinated administration and control has been provided for under the plan through a central control commission, consisting of the supreme commanders of the three powers with headquarters in Berlin. It was agreed that France would share in these arrangements.

This is the first mention of France.

After the capitulation of Germany, the four allied governments issued amongst other documents a statement on the zones of occupation in Germany. It set out the areas agreed to previously in the European advisory commission. Article 2 of this statement—after the capitulation of Germany—bearing date of June 5, 1945, reads as folows:

> The area of "greater Berlin" will be occupied by the forces of each of the four powers. An inter-allied governing authority—in Russian, Komandatura—consisting of four commandants, appointed by their respective comanders-in-chief, will be established to direct jointly its administration.

And so we have for the fourth time a reiteration of this policy.

On June 14, 1945 the President of the United States wrote a letter to Marshal Stalin concerning the withdrawal of United States troops from the Soviet zone into the United States zone of occupation. He proposed that this transfer be carried out, and these are the exact words:

> "In accordance with arrangements for simultaneous movements of the national garrisons into greater Berlin and provision of free access by air, road, and rail from Frankfurt and Bremen to Berlin for United States forces."

Thats the end of the quotation. I have heard Mr. Dulles make an observation with respect to this. And so on the basis of this undertaking and this promise that had been repeated several times, the United States withdrew its forces from the east and brought them back. Thereby, the Russian government, the U.S.S.R., came into full control of the area that is now East Germany—and that was done in the confidence that the agreement with respect to Berlin—and that was one of the factors—would be always observed. Marshal Stalin replied by letter dated June 18, 1945, stating:

> On our part all necessary measures will be taken in Germany and Austria in accordance with the above-stated plan.

On July 1, 1945, United States forces entered Berlin and withdrew from their advance positions in Eastern Germany. United Kingdom and French forces subsequently took up positions in the western part of the city. In preparation for this change a conference was held on June 29, 1945, between the commanders in chief, Marshal Zhukov, General Clay and General Weeks, and arrangements were made for use by the western powers of specific roads, rail lines and air lines for the purpose of exercising their rights of access to Berlin. These general arrangements were defined further through actions of the allied control machinery in Germany. In addition, a variety of working practices and arrangements grew up in respect of the exercise by the western powers of their rights of access to Berlin.

I mention here that the Soviet government in its note of November 27, 1958, seemed to link the four-power agreements on Germany, to which I have been referring, with the Potsdam agreement of August 1, 1945, and to cite alleged violations of the Potsdam agreement as a reason for declaring null and void these other agreements which I have cited.

It was subsequently pointed out by the western powers in public statements that the occupation arrangements for Berlin entered into force considerably before the conclusion of the Potsdam agreement, and did not depend on the Potsdam agreement for their validity, since the Potsdam protocol did not concern itself in any way with the agreements on Berlin. Now that is the statement; and I am convinced it is a clear record with respect to the rights and, naturally, the responsibilities of the three occupying powers of the west in regard to Berlin.

I would like to deal again for a moment with the post-war development, in order to get the setting. In the years immediately following the war increasing disharmony developed between the Soviet Union on the one side and the western powers on the other over arrangements for Germany and Berlin. Efforts made through the council of foreign ministers to make progress toward a peace treaty for Germany came to naught.

On March 20, 1948, the Soviet representatives walked out of the Allied Control Council for Germany which met in Berlin, and shortly thereafter the Soviet authorities attempted to impose increased controls on the movement of the forces and goods of the allied powers between West Germany and West

Berlin. There followed a series of restrictions, as we remember, on traffic to and from Berlin which ultimately developed into the Berlin blockade.

As is well known, an airlift was mounted by the three western powers to supply the city of West Berlin. This was a dramatic and successful effort to demonstrate to the Soviet Union that unilateral action of that kind to terminate agreements and to abandon responsibilities based on solemn international undertakings would be met with firm resistance by the western countries. Well, as you know, the blockade was unsuccessful.

On May 4, 1949, the governments of the United States, the United Kingdom, the U.S.S.R. and France reached an agreement at New York which provided in part as follows—and you will find in this text a reaffirmation of the old position as established through those earlier agreements. I am now quoting:

> All restrictions established since March 1, 1948, by the Soviet government on communications, transport and trade between Berlin and the western zones of Germany and between the eastern and western zones will be removed on May 12, 1949.

This agreement was subsequently endorsed by the foreign ministers of the United Kingdom, France, United States and the U.S.S.R., meeting in a session of the council of foreign ministers in Paris.

Mr. Chairman, what I have been endeavouring to outline to you represents the essential four-power arrangements relating to Berlin. They show clearly, and convincingly, that the western powers have every right to continue to remain in West Berlin until and unless some other arrangements for this city, acceptable to all the nations concerned and preferably—we have always said "preferably"—based on the reunification of Germany, are arrived at as a result of freely adopted agreements. These agreements should stand until that happy event would come about.

On the western side care is being taken to ensure that no subsequent action would interfere with the basic western rights in Berlin. Thus when sovereignty was granted to the Federal Republic of Germany, effective in the middle of 1955, the western powers reserved to themselves their rights and responsibilities relating to Berlin and to Germany as a whole.

Similarly, on the Soviet side, you can find some indications, if not in a formal sense, that they take the same view. They have not really formally made East Berlin a part of the German Democratic Republic. This is in a sense a practical admission of responsibility under the four party agreements for Berlin. Specific Soviet responsibility for controlling the flow of military personnel and goods to and from West Berlin was defined by the Russians themselves in an exchange of letters accompanying a treaty between the Soviet Union and East Germany in September, 1955.

I can go further, Mr. Chairman, but I do not want to get into the legal intricacies of the situation relating to Berlin; but it seems to me that it is highly desirable that we should have here a clearer appreciation of the foundation for what the West calls the right of access of the western powers to Berlin. They are well grounded in historical fact, and in established practice and custom that has developed and has been recognized since blockade of Berlin in 1948.

The Canadian government is fully aware of the dangers of the Berlin situation, and realizes the obligation of the occupying powers to study how they should meet any possible development. May I say this very seriously and, indeed, very soberly, that it is our sincere hope that the extremes which must be envisaged by any planning for contingencies can be successfully avoided. May I say this: I do not know whether or not it is helpful at this stage for anyone to say "If you shoot, I will shoot." We are talking about possible

eventualities. We should not go around with chips on our shoulders on either side of this dispute. It is the Canadian view that we cannot allow the 2½ million West Berliners to whom we have pledged ourselves to be absorbed in East Germany.

Mr. Khrushchev implied in his speech at Leipzig at the end of last week that the transfer of Soviet responsibilities in Berlin to the East German regime, which he had scheduled for May 27, could not be considered as an ultimatum. There is an opportunity for discussion and negotiation, and he did say in that Leipzig speech that if reasonable negotiations were undertaken before May 27, the date for changing the situation in Berlin could be postponed, and he did suggest that it could be postponed for a month or two until June or July.

The basic situation, Mr. Chairman, despite these remarks of Mr. Khrushchev, remains the same; but it does strengthen our hope that fruitful negotiations can get under way and that the basis of an agreement can be found on broader issues, thus possibly leading to a situation in which Berlin will no longer be a source of international tension.

I touched on the situation with respect to Berlin and NATO in my speech in the house on February 26, but I would now like to expand somewhat on what I said then. I spoke a moment ago about Canada's lack of commitments to the Berlin situation in 1948, when Berlin was subjected to this blockade. Also, I pointed out that our commitment is now much more exact, much more firm, than it was at that time.

In October, 1954, there was held a conference in London. That conference had to do with the making of plans for the termination of occupation of the Federal Republic of Germany and for the incorporation of West Germany in NATO. At that conference the three western powers issued a declaration dated October 2, 1954, stating that:

> The security and welfare of Berlin and the maintenance of the position of the three powers there are regarded by the three powers as essential elements of the peace of the free world in the present international situation. Accordingly, they will maintain armed forces within the territory of Berlin as long as their responsibilities require it. They therefore reaffirm that they will treat any attack against Berlin from any quarter as an attack upon their forces and themselves.

Immediately following the London conference there was held a meeting of the NATO council, and at that meeting the Federal Republic of Germany was invited to accede to the North Atlantic treaty. At that meeting on October 23, 1954, all the members of the NATO council, including Canada, associated themselves with the three-power declaration on Berlin which I have just mentioned. They declared that any attack on Berlin would be an attack on them. That was declared by all the members of NATO. It is from this date that Canada has been very directly concerned with Berlin. True, we have not been as directly involved, as I said earlier, as the occupying powers.

The Federal Republic of Germany has been intimately concerned, of course, with the Berlin situation. One can understand the force and validity of the view of the West Germans. They still consider Berlin as the eventual capital, the renewed old capital of a unified Germany. Then, West Germany has a responsibility to pay such occupation costs as are requested by the three western occupying powers in Berlin. This they have undertaken and have fulfilled. These occupation costs have not been paid directly to the occupying powers; they constitute an element in the substantial subsidy which is given by the Federal Republic of Germany to the municipal administration in West Berlin. It is a substantial subsidy that West Germany pays to West Berlin and, indeed, it represents, in considerable measure, an important form of assistance to the economy of West Berlin.

In addition to this declaration of the NATO council, in which Canada joined on October 23, 1954, there is an obligation to be found in article 6 of the North Atlantic treaty. Article 6 provides, in effect, that an armed attack on the occupation forces—it is set out there specifically—in Europe of any party to the treaty constitutes an armed attack against all parties within the meaning of article 5 of the pact.

I would just mention, in passing, that Canada has long shown a strong interest in West Berlin. Well before diplomatic relations were entered into between West Germany and Canada we maintained in West Berlin a small Canadian mission. That was accredited to what was known then as the allied control council. At the present time our mission in West Berlin is closely coordinated with our embassy in Bonn. The Canadian ambassador to West Germany carries the title and responsibility of head of the Canadian military mission to West Berlin and he makes frequent visits to that city. We have a foreign service officer on a permanent basis along with some other staff members to operate this mission in West Berlin. I could elaborate on the duties of that mission. It works under our Ambassador to Bonn in connection with consular duties, information work and activities of that kind.

I would speak now of the access of the members of our Canadian mission to and from West Berlin. We have directed them over the years to go to and from our mission in West Berlin by commercial airline, so that there would be no possibility of the Russians baring their way on the grounds that Canada was not a party to the original agreements with respect to the access by road and rail.

I might say a few words about methods of access in general. There are three commercial airlines operating into west Berlin—Pan-American airways, British European airways and Air France; one airline for each occupying power. As you know, the commercial airlines make use of agreed air corridors. The occupying powers make principal use of road and rail traffic as provided for under the agreements. The vehicles of the occupying powers pass through two check points on the road to West Berlin and are passed through by Soviet military guards when their occupants present appropriate identification. West German and West Berlin traffic is inspected by the East Germans, but the papers carried by the traffic of the occupying powers is inspected by Soviet officials.

Mr. Chairman, even since February 26, when we discussed these matters in the House, there have been important developments. On March 3, at the conclusion of Mr. Macmillan's visit to the U.S.S.R. a communiqué was issued. I think it is useful for us to look for a few moments at the nature of that communiqué and of subsequent events. This communiqué, enunciated certain principles. It was stressed that the two prime ministers did not hold negotiations but rather an exchange of views and, as Mr. Macmillan pointed out, both before going to Moscow and since his return to London, his talks in the U.S.S.R. could be considered as being in the nature of a reconnaissance.

On the most important issues, those relating to Germany and Berlin, the prime ministers were unable to agree about the juridical and political aspects of the problems. We must recognize that. They did agree, however, on the need for early negotiations between the interested governments to establish a basis for the settlement of these differences. It was stated in the communiqué that through such negotiations the foundations for a stable system of European security could be created.

It was agreed that a further study could usefully be made of the possibilities of increasing security by some method—this was in the communiqué, and I read this carefully—of limitation of forces and weapons, both conventional and nuclear, in an agreed area of Europe, coupled with an appropriate system of inspection.

The prime ministers, Mr. Macmillan and Mr. Khrushchev, endorsed the principle that differences between nations should be resolved through negotiation and not through the use of force. It is doubtful, of course, if force would provide any adequate solution in any circumstances.

They did mention, according to the communiqué, and they did discuss the importance of advancing toward a solution of the problem of disarmament, and the desirability, particularly, of achieving agreement on the stopping of nuclear weapons testing under an effective system of international inspection and control.

On February 26 I was bound to report to the house that there had been a slowing up—and that is an understatement—of negotiations in Geneva with respect to the cessation of nuclear tests. There is to be found in this communiqué some hope that Mr. Khrushchev might take some direct interest in that matter with a view to reaching agreement.

On his return to London, Mr. Macmillan informed the House of Commons that the main purpose of his visit had been to seek a better appreciation and realization of each other's views. He did stress, however, in his report to the House of Commons last week, the gravity of the situation and the vital character of the issues at stake. Mr. Macmillan referred to the possibility that had been raised by Mr. Khrushchev of negotiating a non-aggression pact. There was no negotiation about a non-aggression pact, but Mr. Macmillan did state that the United Kingdom was willing to agree to a declaration in this sense and in the terms of non-aggression. It was stated by Mr. Macmillan in his report to the house that this matter would be subject for further discussions between the two governments. I recall on Thursday last Mr. Herridge asked for comments on the results of Mr. Macmillan's visit. I hope—and I have gone into this at great length—I have answered the questions and that I have covered the points which Mr. Herridge had in mind. I would say this, that if we are closer to agreement on the basis of a meeting between the East and the West it is in large measure—and comments from any source which would discount it leave me cold—due to the wisdom and strength which Mr. Macmillan showed in the visit which he and Mr. Lloyd made to the Soviet Union.

Mr. HERRIDGE: Hear, hear.

Mr. SMITH (*Hastings-Frontenac*): I am not going into the social or political events, but I make this statement very clearly. Mr. Macmillan has demonstrated again his dedication to our common purpose and he has evinced a strength which we knew he had and that was shown when he refused to be put off by discouraging circumstances.

Mr. Macmillan will be in Paris and in Bonn this week and he will come to Ottawa on Wednesday the 18th. We are awaiting his visit to learn something more about the discussions in Moscow and about his endeavours to explore the situation with General De Gaulle and Dr. Adenauer. That will be most useful to us. I am not suggesting for a moment that we have been bereft of ideas; indeed I advance the contrary as a statement of fact. Canada has not been bereft of ideas. We have advanced ideas. I indicated in my speech in the House one which had to do with withdrawal of forces and I said there was a long catalogue in that respect. Our proposals advanced to our Ambassador to NATO have been seriously considered, and they are under consideration.

Out of our discussions with Mr. Macmillan and with Foreign Secretary Mr. Selwyn Lloyd we can test some of the views which have been put forward, having in mind the necessity for consultation which has been evidenced in practice during the past months; and perhaps with the NATO powers we can produce positive proposals on the part of the west which will gain the support not only of our NATO partners but also command the support of the opinions of our people, and indeed of world opinion.

May I say this, and I reiterate or echo something I said, I think, in my first appearance before this committee in 1957. We must be positive; we must not leave it to the U.S.S.R. to always have us on the run with proposal after proposal when it appears they are the only people who are thinking, according to their propaganda, about world peace. I think it would be useful if while remaining firm on the Berlin situation we were not always to say "no". While remaining firm could we not in the west sometimes say "yes, provided that" instead of always or frequently saying "no, unless". It might well be without sacrificing our strength that that would be of great use when we approach negotiations.

Now I wish to speak on the Soviet note. Since the debate in the house on February 26 we have received a reply—the western powers have received a reply—to the note sent in response to the Russian note of January 10. We have received a reply to the Canadian note of February 17. I will be happy to table this note when the translation has been checked against the Russian language original. There is nothing of significance in the note to Canada that is not also to be found in the notes to the United Kingdom, the United States and France.

Discussions, as I intimated earlier, are now going on in respect of a reply to that note on the part of the western powers. The preparation of this will be greatly assisted by the consultations which are now taking place in NATO and in various capitals, and particularly also by the visits of Mr. Macmillan to Paris, Bonn, Ottawa and Washington.

The note of March 2 reaffirms the necessity of a peace treaty for Germany and the need for this treaty to prohibit German militarism. It asserts that such a treaty will mean the settlement of the Berlin situation, and it insists that the reunification of Germany must be left to the two German states. It warns that any attempt by the western powers to maintain access to West Berlin by force will be opposed by force and will lead to war.

The note argues that the U.S.S.R. wishes to have a settlement of the Berlin question which is acceptable to all concerned. It calls for a summit meeting of the four powers with Poland, Czechoslovakia and East and West Germany represented at that meeting to discuss a peace treaty and a change in the status of Berlin as prescribed by the U.S.S.R. It asserts that a summit meeting could consider a wider agenda including European security, disarmament, mutual withdrawal of troops, a zone of disengagement and an atom-free zone, the reduction of troops on foreign territory, the prohibition of nuclear weapons, and the banning of nuclear tests.

The decisions on a peace treaty reached at such a meeting should then be referred to a peace conference as was contemplated by the note from the U.S.S.R. on January 10. The note asserts that the Soviet government thinks that a summit meeting would be more likely to succeed than a meeting at any other level, but it states—and this is not without significance—that the U.S.S.R. is prepared to accept a foreign ministers' meeting to discuss Soviet proposals for a German peace treaty and Berlin, which is a more restricted agenda than they seemed to contemplate for a meeting at the summit.

The note states that: if the four powers are not yet ready for a summit meeting, the Soviet Government would be willing to attend a foreign ministers' meeting, but the note stipulates that attendance at a meeting of the foreign ministers should be identical with that of their projected summit meeting—that is the four powers, East and West Germany, Poland and Czechoslovakia. They did suggest a meeting of the foreign ministers for April and they also agreed to the western proposal that it should be held either in Vienna or in Geneva.

The latter Soviet note is, of course, to be assessed against the background of Soviet policy as regards Germany, as it has emerged since the end of the second world war. This policy has had two elements.

First, the U.S.S.R. has steadily endeavoured to build up a Communist state in the Soviet zone of Germany and has integrated East Germany politically, economically and militarily with the Soviet bloc. In 1948 it sought to expel the western allies from Berlin. Since then it has accepted specific commitments to assure the normal functioning of transport and communications between Berlin and Western Germany. We must keep that in mind.

Second, the U.S.S.R. argue that a peace treaty with East Germany and with West Germany must first be concluded. That peace treaty must provide for a de-militarization and neutralization of the whole of Germany. The reunification of Germany then must precede the election of an all-German government and must be achieved through direct negotiations between the two halves of Germany; reunification must permit the continued existence of a Communist state in Eastern Germany.

In presenting this position, the Soviet Union has maintained an attack on the rearmament of Western Germany and has warned that this would delay reunification and that the provision of nuclear weapons to West Germany would prevent reunification.

That, as I see it, is the present position of the U.S.S.R. in respect of East Germany. Yet I conclude by saying that they are ready to discuss and negotiate the situation.

Mr. HERRIDGE: Mr. Chairman, I would like to ask a few questions. Unfortunately I have to leave for another committee in a few minutes.

I thank the minister very much for his exhaustive review of Mr. Macmillan's visit. My question is this: regardless of the early, rather disconcerting, press reports with respect to that visit, I understand it has been much more fruitful than those early press reports indicated.

Mr. SMTH (*Hastings-Frontenac*): Yes.

Mr. HERRIDGE: From reading the press reports I am of the opinion that Mr. Macmillan has just the right personality to deal with a person like Khrushchev under those circumstances.

Mr. SMITH (*Hastings-Frontenac*): Well, the press reporters were faced with the situation midway through the visit, when Mr. Khrushchev went out and made a political speech.

Mr. HERRIDGE: Yes.

Mr. SMITH (*Hastings-Frontenac*): I would say that the soundness and the fortitude of Mr. Macmillan through what I have called "trying circumstances" was a factor which made for the success of his visit in terms of reconnaissance.

Mr. HERRIDGE: I think it deserves our admiration.

Mr. PEARSON: The minister's statement has of course raised a great many subjects on which I think some members of the committee—perhaps all the members of the committee—would like to question him. I certainly would.

I hope there will be an opportunity at a subsequent meeting for the kind of questioning that we have in mind and after a chance to study what the minister has said, which is not provided at the moment. However, there are some things which occurred to me at once in connection with his statement. Perhaps I might mention one or two of those things in a preliminary way.

The minister has indicated the difficulties he has been under in giving us the details about the diplomatic negotiations which are in progress.

Of course, I think we all appreciate that. I do not think anyone could expect negotiations of the kind that are now going on inside NATO to be published. That is a kind of confidential diplomacy which I think is required in the present circumstances.

Nevertheless, there are two reservations about confidential diplomacy which I venture to make when I talk about that sort of thing: one is that the

principles, the basic policy. The basic policy should be made public so that we may know the basis on which negotiations are being conducted.

Mr. PEARSON: The other is that there should be no commitments made which are binding on parliament and the people.

Subject then to those considerations, I would like to ask the minister a question or two based on his statement. If we accepted the position as he outlined it—and I think quite accurately—that has been laid down by Mr. Khrushchev for solution of the problem of Berlin and the related problems of Germany, there would not be, of course, any likelihood of a settlement.

Perhaps we do not have to accept all of Mr. Khrushchev's statements literally, especially as they seem to change in emphasis from day to day as his methods of diplomacy seem to change from day to day.

It is hard to understand them. I agree with Mr. Herridge that Mr. Macmillan, who is the latest victim—he was not exactly a victim—the latest subject of those methods, conducted himself in a manner which certainly deserves —and I know it secures—all our admiration.

Khrushchev seems to be one of those people who knock you down, then pours mercurochrome over your wound, gives you a drink and helps you up; and when you begin to feel that he is not so bad after all, he knocks you down again. So you are in a continual state of bewilderment as to his attitude.

However, he has made it perfectly clear that there are certain things, as a basis of Russian policy in respect to Germany, which would be difficult for the west to accept.

The minister has said that our policy must be based upon firmness, and that has been repeated by other western leaders. I think we all agree. But of course firmness is not a policy in itself. Firmness is perhaps a posture upon which a policy should be based; but it is not policy.

Mr. SMITH (*Hastings-Frontenac*): I suggested it was a policy as far as West Berlin is concerned.

Mr. PEARSON: In one sense, perhaps, it is a policy there, but I still think that firmness alone, while it may be essential, would not provide a solution. It may bring about a situation where proposals can be made and which will have some possibility of acceptance.

In connection with policies that could be based on firmness, there are two things on which I think we should get some enlightenment, both as to Canadian policy and as to western policy. I mention them because they have been discussed in Washington and have been discussed in London. In fact, there are more than two things.

One is: are we willing to accept even as a basis of negotiation in the discussions which will have to take place, the Soviet theory which has been reiterated by Khrushchev, that of the two Germanys, one of them must be communist?. He has said that again within the last two or three days.

Mr. SMITH (*Hastings-Frontenac*): Yes, at Leipzig.

Mr. PEARSON: That is one point. A second, as a basis for any negotiation on the unification of Germany do we insist on a free elections, or can we, as Mr. Dulles pointed out a month or so ago, accept perhaps some other method?

The other question—I have a lot of others—but perhaps I may put this one forward at this time: Mr. Khrushchev has also said that by May 27th—he qualified that as the minister pointed out, by saying it might be at some later date, provided negotiations are going on satisfactorily by May 27th—but at some date the Soviets are going to turn over control of the access to Berlin to the East German government.

That represents perhaps an important change. I wonder if that is acceptable policy as a solution, and that after that has been done, whether the Canadian government feel that the East German government, acting as an agent of

the Soviet Union, or in some other capacity, will be the authority with which we can deal in this matter? And if we do not accept that, what is to be the situation then?

Mr. SMITH (*Hastings-Frontenac*): With respect to the first question from Mr. Pearson: I would reaffirm what I said at the last meeting of the committee, which was really the first meeting, and what I said in the house: firmness with respect to the West Berlin situation, but flexibility and a continuous offer to negotiate.

Those are not incompatible ideas. Now, having emphasized that, I put it this way, that Canada is among those who advocate a balance between those two viewpoints.

With respect to East Germany as a communist state, I shall try to be very frank with the committee. We face the fact that as recently as the speech made in Leipzig last week, as the Leader of the Opposition said, Mr. Khrushchev showed that his attitude varies from time to time and indeed from place to place.

The West German government wants to have reunification. They want to see Berlin as the capital of a reunified Germany.

The western powers have recognized the viewpoint of the U.S.S.R. in terms of Europeain security. They have said—I think in 1955, it was Mr. Selwyn Lloyd who said as much in the House of Commons—and I think last year Dr. Adenauer recognized that Soviet concern about a reunified Germany fully armed in the middle of Europe.

All these leaders of the western powers stated that a reunified Germany, a free Germany, would not be used as a base for military operations or military installations. They would not go beyond the line—the eastward line of West Germany.

I do not know; I do not dare to guess what the solution of the reunification of Germany would be, or when it will come about. I do know the statement made by Mr. Dulles in a press conference to the effect that free elections which were agreed to by the U.S.S.R. in Geneva in 1955—and we welcome the statement that Mr. Dulles made—need not precede some degree of reunification.

I do not believe we are going to see very soon, or all at once, a reunification of Germany. Certainly the Canadian situation is this, briefly, that we would like to discuss this problem, and it has been discussed in some measure in the NATO council.

Could we come to an understanding, an agreement whereby the reunification of Germany would be a gradual matter, a gradual process?

In respect of Western Germany, and with respect to separating what they might think pre-eminently to be the two parts of Germany, I know their intense desire to bring about reunification of their country. So I come back and say that the matter, in terms of gradual steps being taken for reunification should be seriously considered.

Now, with respect to the access to West Berlin by road, by rail, by air, or by canal, I can say juridically, they are assured to us. I attempted to point out that it does not solve the problem as we find it at the present time.

The concept of the East Germans serving as agents of the U.S.S.R. does not disturb me. Over the week-end there were press reports to the effect that Mr. Grotewohl of East Germany said if and when they take over they will exercise this power of supervision of traffic, for example, on the autobahn, with great care, and with generosity. I would like to see what the guarantees are for that.

I am bound to say this, Mr. Chairman, that I have grave concern about using force in respect of the matter of who stamps the travel document.

Mr. PEARSON: I think everybody shares the minister's concern in respect of the use of force, because one form of force might lead to another and we

would be in trouble But if this change to another authority—an East German authority—takes place, and if it is not recognized by all the NATO powers, especially those with special responsibilities in Berlin, and they try to supply Berlin and their forces in Berlin as they have been doing in the past under rights guaranteed to them, and if they refuse to recognize the formalities insisted upon by the new authorities, then I do not see how they can avoid the use of force in some form.

Mr. SMITH (*Hastings-Frontenac*): I have my hope in consultations. I share your sentiments entirely, Mr. Pearson.

Mr. JONES: I was most interested to hear the comments of the minister in respect of the gradual reunification. One of the problems we are told is the maintenance of West Berlin, the reception hall of freedom for the many thousands upon thousands of Germans who would like to escape the Communist yoke.

Mr. SMITH (*Hastings-Frontenac*): About 200,000 a year.

Mr. JONES: I suppose the position of the Russians has a wider purpose, including perhaps the purpose of establishing control within the East German area, in order that the Communists may have a front behind which to work. This would give them a somewhat great manoeuverability in respect of diplomatic exchanges over the whole reunification problem, as well as assistance in provoking these crises which come up from time to time in their offences against the West.

I am wondering if you would care at this time to elaborate on your thoughts in connection with gradual reunification.

Mr. SMITH (*Hastings-Frontenac*): Well, I would start right in the city of Berlin as a whole to increase the participation in common services by East and West Berlin. I am not free to report in full on my conversations with Mayor Willy Brandt, but I do think it would be possible to do more with respect to Berlin services. Indeed, I am free to report that Mr. Willy Brandt said that inter-governmental cooperation and collaboration could be increased. He did say that a few years ago the only thing which bound East and West Berlin together was a common sewer. That is one thing.

I think we should look at the draft treaty advanced by the U.S.S.R. My own view is it is framed and drafted to the end that the communist powers would extend westward. I admit our deep anxiety in respect of West Berlin, but I am thinking of the whole of Germany when I say that. That treaty suggests a loose type of confederation. Is there anything possible that would safeguard West Germany from communist infiltration in that particular situation?

Mr. JONES: Would it be going too far at this time to say you had something in mind such as a phased reunification?

Mr. SMITH (*Hastings-Frontenac*): Gradual or phased? I would accept phased. Yes, there are other possibilities which have been mentioned in the past of which we are not unaware. I saw a suggestion some time ago about a four-power commission to deal with the German problem. We did have at one time a four-power control commission, or something which could be designated in that way. It broke down. Could that be looked at—and I am putting it as a question—in terms of keeping the whole German question within the context of a four-power commission? That commission might also watch over the observance of any agreement which might be reached at these meetings.

There has been mention of the participation of NATO in respect of Berlin itself. The question which occurs to me—I do not state it negatively or positively—is that, while there is a promise of a meeting of foreign ministers,

and eventually a meeting at the summit, has the U.N. a role at this particular time when we may be getting together the two sides concerned? I only express the hope that if there is a role for the United Nations it will not be presented to the United Nations when there is a deadlock so that it will be thrown on Mr. Hammarskjold's table, with someone saying to him "Now, you solve it."

Mr. PEARSON: Would it not also be desirable, if there is a role for the United Nations, that it should not be presented to that body by one of the four powers with special responsibilities in Germany, but rather by some other power which would take this responsibility.

Mr. SMITH (*Hastings-Frontenac*): Frankly, I would hate to do that in this context.

Mr. PEARSON: I am not suggesting it should be presented now by Canada; but if the time comes, as the minister knows, presentations of proposals by delegations who are not acceptable to certain members of the United Nations sometimes prejudice those proposals. I am thinking of the United Nations emergency force.

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. JONES: I think in that respect, Mr. Chairman, it would be very necessary to avoid attempting to pressure the powers concerned through the United Nations when in actual fact they will not yield to pressure. It seems to me it involves a dispute in conflict, unless it is proceeded with with utmost care and with satisfactory arrangements with those involved. It might cause disharmony rather than achieve a solution.

Mr. SMITH (*Hastings-Frontenac*): It is a method of approach.

Mr. CRESTOHL: You spoke of an air corridor between West Berlin and the western powers. Is there no other corridor which is uncontrolled between the western powers and west Berlin?

Mr. SMITH (*Hastings-Frontenac*): I have the map here. The roadways are prescribed in detail in the early agreements. There are the roadways, the canal system and the commercial airlines. If we are insisting on the agreement, we art tied also with respect to the routes of access and exit.

Mr. CRESTOHL: As I understood you, you mentioned the autobahn. That is what you are referring to?

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. CRESTOHL: And that is controlled?

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. CRESTOHL: The air corridor is not controlled?

Mr. SMITH (*Hastings-Frontenac*): No.

Mr. CRESTOHL: Have there been any negotiations at any time with a view to obtaining an uncontrolled means of access to West Berlin, other than through this air corridor?

Mr. SMITH (*Hastings-Frontenac*): No, I am informed that there have not been. I could not answer it categorically myself with respect to the roadway. In respect of the commercial lines there has not been any inspection. Indeed, that is how the refugees get out. They travel by air from West Berlin to West Germany. Of course, I am speaking in juridical or legalistic terms. What the Russians endeavoured to do in 1948 was to jam the airways.

Mr. SMITH (*Calgary South*): Has there been any jamming of the airways, even on a spasmodic basis, in the last year or so?

Mr. SMITH (*Hastings-Frontenac*): No.

Mr. PEARSON: Is it not true that if the Russians had wished to take action to make the air navigation impossible in that corridor the airlift could not have been conducted?

Mr. SMITH (*Hastings-Frontenac*): They were not successful in 1948.

Mr. PEARSON: They did not attempt to do it in 1948?

Mr. SMITH (*Hastings-Frontenac*): No.

Mr. PEARSON: At the last meeting of the NATO council—and I do not have the actual statement before me—there was a reference to the desirability of negotiation of the Berlin difficulty within the framework—and I do not have it exactly—of German negotiations. The two were tied up and in a way which almost invited proposals.

Now, since that time, is it not true that all proposals that have been made in regard to Berlin and Germany have been made by the Soviets, and that while we have answered Soviet notes—there have been two or three since then—we have not, on the western side, put forward any proposals which would require the kind of answer from the Soviets that we continuously make to them.

Has the time not come that the West, before the conference begins, should put forward some proposals of its own, both in regard to Berlin and in regard to the German problem generally? Can that not be done when projecting our position of firmness in the maintenance of our rights?

Mr. SMITH (*Hastings-Frontenac*): The replies to the Soviet notes of November 27, which the three occupying powers sent on December 31, did not deal very much in substance. They disputed certain historical claims that were made.

The replies—and I include that of Canada in this group—to the U.S.S.R. note of January 10, frankly purported to say, without going into substance: let us sit down and talk about this; let us put forward our views at a conference.

Frankly, that was a situation which you might say was a matter of procedure.

Certainly, Mr. Chairman, the time has come now when we must do something positive. With respect to the idea of a four-power commission—it is proposed that both East and West Germany would be represented by experts on such a commission—I am thinking of the evolution of the deliberations of a four-power commission on Austria which resulted in the Austrian treaty which we hope parliament will decide to accept. These suggestions actually came out of Bonn some weeks ago.

Mr. PEARSON: If that is true, is not that recommendation a recognition by the federal republic that there are two Germanys?

Mr. SMITH (*Hastings-Frontenac*): Not necessarily. It is proposed in the reply of February 16 that they would sit in with the occupying powers as advisers, that is East Germany and West Germany; and that would not be in itself—I insist it would not be a firm recognition of this state.

Mr. PEARSON: How could the communist part of Germany be expected to accept a four power commission which recognizes formally, officially, and diplomatically, that one part of Germany, did not recognize the other part in the same forum?

Mr. SMITH (*Hastings-Frontenac*): I do not see any problem there.

The CHAIRMAN: Are there any further questions?

Mr. PEARSON: I shall offer some questions; or perhaps I should offer them at a subsequent meeting when we have had a chance to think over what the minister has said, because very important questions have been brought up this morning.

Mr. SMITH (*Hastings-Frontenac*): With respect to the question about Rapacki asked the other day of Mr. Diefenbaker in the house, I tabled last August in this committee the note that we had from the Polish government with respect to this matter and also our reply.

I invited an examination of the reply we gave to the note we had received from the foreign minister, Mr. Adam Rapacki of Poland. In that note we indicated after consultation in NATO, that this was unacceptable; that the plan as first put forward on February 14, 1958, was unacceptable.

I have not looked at it recently, but we did express our appreciation of the initiative of the Polish government putting forward this plan, and indeed we welcomed it; and in that note, in effect, we invited the Polish government to re-examine the proposal.

The Polish government did that in fact, and I can state that I had two discussions with Mr. Adam Rapacki last autumn while I was at the United Nations, during which I endeavoured to indicate our objections to the plan. The plan would call for the prohibition of nuclear weapons in certain areas—East and West Germany, Poland, and Czechoslovakia.

Having regard to the strong conventional arms of the East, the implementation of this plan would leave the West at a disadvantage. I have heard many speculations of the comparative strength of the conventional forces of Communists—east of the zonal boundary. But certainly, they would dominate the situation as compared with the conventional forces of the West.

Mr. Rapacki went to Oslo in November of last year and I know he discussed the matter with the Norwegian foreign minister, Mr. Lange, and others in Norway.

The Polish foreign minister, Mr. Rapacki gave the press an interview shortly after that, and he presented a revised version of his earlier proposal. In this Mr. Rapacki proposed a plan encompassing, two stages: the first involved the freezing of nuclear weapons at the existing level; the second would see a gradual reduction of the conventional forces.

It has been our purpose, to see whether there is anything in this proposal; and it has been under consideration by the NATO council. It is now being studied collectively by the member governments of NATO.

As yet it is difficult to ascertain the relationship of the recent proposal to decisions and statements that have come out of the United Nations, but this aspect is now being studied.

Mr. PEARSON: Now that the NATO council is discussing the Rapacki plan or some modification of it as a possible basis of negotiation, why was it that the NATO council at its Copenhagen meeting pretty clearly dismissed that plant without qualification?

Mr. SMITH (*Hastings-Frontenac*): The notes in reply were delivered in July 1958 after the consultations in the NATO council which continued after the Copenhagen meeting. I want to get the timing correct.

Mr. PEARSON: Was there not a reference to NATO in the Copenhagen discussion of the Rapacki plan?

Mr. SMITH (*Hastings-Frontenac*): I do not recall that there was, because they had not discussed it in the NATO council before. I remember that very clearly. That was in May, and the revised proposal came forward in November of last year, which was later.

Mr. PEARSON: Does a discussion going on at NATO of these plans now indicate that the council itself is not opposed to disengagement in principle?

Mr. SMITH (*Hastings-Frontenac*): That is an inference I refuse to admit. It is not without significance that this was one of the matters which was mentioned in the communique by Mr. Macmillan and Mr. Khrushchev. Mr.

Macmillan was pressed in the House of Commons on Saturday, as reported, and he said: this is a matter for consultation. But it is not without significance that this was mentioned.

The CHAIRMAN: Are there any further questions?

Mr. PEARSON: Would the minister like to express his views on the idea of disengagement in some form or other as a possible move towards greater security in Europe?

Mr. SMITH (*Hastings-Frontenac*): We would not have been following as much as we have, if we were not interested in some proposal of that kind. If Mr. Pearson is trying to pin me down to any specific proposal I refuse to bite.

Mr. PEARSON: No, I am not trying to do that. This is one of the subjects which perhaps the committee should discuss. I was simply asking whether the idea of disengagement in some form or other had not been dismissed by the Canadian government.

Mr. SMITH (*Hastings-Frontenac*): It has not. Indeed, I do not recall—I was out of Canada at the time—but the Prime Minister, I think it was, in Bonn in a press interview indicated the continuing interest of Canada in that regard, subject only to a plan which would not be disadvantageous to the West, and to a plan which would be mutually advantageous to the East and the West, because that is the kind of agreement that sticks.

Mr. PEARSON: I wonder further if the minister would agree if we might have a discussion on that.

Mr. SMITH (*Hastings-Frontenac*): I am anxious to get ideas.

Mr. PEARSON: And to give ideas.

Mr. SMITH (*Hastings-Frontenac*): And to get ideas. I have been giving ideas all the morning, and I have not shown any disinclination to do so.

Mr. FAIRFIELD: I have been wondering about the Rapacki plan of disengagement. Why not have a Rapacki plan in reverse, and have forces from the east in Western Germany, and forces from Western Germany in the east on a quid pro quo basis as conventional forces?

Mr. SMITH (*Hastings-Frontenac*): That is a desideratum to be prayed for. But the Russians have indicated that they do not want inspection teams with respect to cessation of nuclear weapons tests in their territory, because they might turn out to be intelligence officers.

The CHAIRMAN: Are there any further questions?

I think the committee have welcomed the frank and full report which the minister has given to us this morning.

It has also been indicated that at a later date, when the members have had an opportunity to study the evidence given this morning, the minister would be prepared to meet this committee again and to discuss Berlin and other situations.

We are all aware of the changes from day to day, and of the various statements issued by the interested governments and others; consequently I think the questioning this morning has been fairly complete. The minister is quite prepared to appear again before the committee. But he tells me that he would not be able to be here at our next meeting which will be on Thursday from 9 a.m. to 11 a.m.

Mr. SMITH (*Hastings-Frontenac*): I think it would be useful, sir, if I may just make this suggestion as a witness, that before we take up some of these matters again it would be helpful if the members of the committee had the background. I could not disclose any of the discussions but I might be able to give you the background of the visit of Mr. Macmillan.

The CHAIRMAN: That would certainly meet with the approval of the committee.

Mr. CRESTOHL: Then may I suggest we do not hold our next meeting until we have the reproduction of the evidence and the statements the minister gave us this morning so that we will have at least twenty-four hours in which to examine the report?

The CHAIRMAN: I think that is likely what will happen.

While we are discussing the Rapacki plan, if you wish to refresh your memory; on Monday, August 4, 1958, the text was published in the Evidence and Proceedings of the External Affairs Committee.

We will continue on until twelve o'clock with the estimates, and Mr. Norman Robertson, Under-Secretary of State for External Affairs, will give his report on item 76 the general administration of the Department—unless it is the wish of the committee that we now adjourn.

Mr. SMITH (*Hastings-Frontenac*): For the assistance of the committee we had in mind that we would distribute the report so that the members of the committee would have an opportunity of examining it before Mr. Robertson spoke.

Mr. NORMAN ROBERTSON (*Under-Secretary of State for External Affairs*): Perhaps we might send a copy of it to the individual members this afternoon.

Mr. JONES: That would be very helpful.

The CHAIRMAN: It has been suggested that Mr. Robertson's statement be distributed to the members of the committee and then, having had an opportunity to study it, Mr. Robertson would be prepared to meet us at the next meeting on Thursday. We might now adjourn if that meets with the approval of the committee.

Agreed.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959



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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

*Chairman:* H. O. WHITE, Esq.

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## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

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THURSDAY, MARCH 12, 1959

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## ESTIMATES OF THE DEPARTMENT OF EXTERNAL AFFAIRS—1959-60

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WITNESSES:

Mr. N. A. Robertson, Under-Secretary of State for External Affairs, assisted by Messrs. R. M. Macdonnell, Deputy Under-Secretary; W. D. Matthews, Assistant Under-Secretary; and H. F. Clark, Director, Finance Division.

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THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20821-5—1

STANDING COMMITTEE ON EXTERNAL AFFAIRS

*Chairman:* H. O. White, Esq.,

and Messrs.

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Allard,
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Cardin,
Crestohl,
Dinsdale,
Dorion,
Eudes,
Fairfield,
Garland,
Hellyer,
Herridge,
Jones,
Jung,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Macquarrie,
Mandziuk,
Martin (*Essex East*),
McCleave,
McGee,
Montgomery,
Nesbitt,
Nugent,
Pearson,
Pratt,
Richard (*Ottawa East*),
Smith (*Calgary South*),
Stinson,
Valade,
Vivian.

J. E. O'Connor,
*Clerk of the Committee.*

# MINUTES OF PROCEEDINGS

THURSDAY, March 12, 1959.

The Standing Committee on External Affairs met at 9:10 a.m. this day. The Chairman, Mr. H. O. White, presided.

*Members present:* Miss Aitken, Messrs. Crestohl, Dinsdale, Dorion, Fairfield, Hellyer, Herridge, Kucherepa, Lafrenière, Lennard, Mandziuk, Martin (*Essex East*), McGee, Montgomery, Nesbitt, Nugent, Pearson, Pratt, Richard (*Ottawa East*), Smith (*Calgary South*), Stinson, Vivian, and White. (23)

*In attendance:* Messrs. N. A. Robertson, Under-Secretary of State for External Affairs; R. M. Macdonnell, Deputy Under-Secretary of State for External Affairs; W. D. Matthews, Assistant Under-Secretary of State for External Affairs; H. F. Clark, Director, Finance Division; J. H. Taylor, Executive Assistant to Under-Secretary of State for External Affairs.

The Chairman observed the presence of quorum and after calling for further consideration, Item 76—General Administration, introduced Mr. Robertson.

The Under-Secretary spoke briefly of the role of the Department of External Affairs referring to a document entitled "Organization and Administration of the Department", copies of which were distributed to members of the Committee on Monday, March 9, 1959.

Following Mr. Robertson's questioning, Item 76 was allowed to stand.

The following items were separately called and after further questioning of Mr. Robertson, assisted by Messrs. Macdonnell, Matthews and Clark, were adopted:

Item 77—Representation Abroad—Operational;

Item 78—Representation Abroad—Capital;

Item 79—Official Hospitality;

Item 80—Relief and Repatriation of Distressed Canadians;

Item 81—Representation of International Conferences;

Item 82—Grant to the United Nations Association in Canada;

Item 83—Grant to the International Committee of the Red Cross;

Item 84—Grant to the Canadian Atlantic Co-ordinating Committee;

Item 85—Assessment in International Organizations;

Item 86—Contribution to United Nations Expanded Program for Technical Assistance;

*Agreed:*—That two documents produced by the Under-Secretary and entitled "Organization and Administration of the Department" and "Department of External Affairs Main Estimates 1959-60 compared with 1958-59", be printed as appendices to this day's proceedings.

At 10.50 a.m. the Committee adjourned to meet again at 10.30 a.m., Monday, March 16, 1959.

J. E. O'Connor,
*Clerk of the Committee.*



20821-5—1½

# EVIDENCE

THURSDAY, March 12, 1959.
9:00 a.m.

The CHAIRMAN: If you will come to order, gentlemen, we will proceed with the work of the committee.

I mentioned at the previous meeting that we would have with us, Mr. Norman Robertson, the Under-Secretary of State for External Affairs. He circulated a statement which outlines in detail the various divisions and indicates how they are broken down. As I understand it, Mr. Robertson will make a short statement as well, and then we may have questions dealing with the administration.

Mr. N. A. ROBERTSON (*Under-Secretary of State for External Affairs*): Mr. Chairman, I do not really propose to supplement very much the information which has been circulated to the committee. I think the general exposition of departmental policies was introduced by the minister, and I think will be resumed by him. It was his hope that I, with the assistance of colleagues who are here, would be able to supply background information and explanations of the actual organization and work procedures of the department in Ottawa, and of the offices abroad.

I wonder if as a beginning there are any questions arising out of this first summary paper? I may say, in the ordinary course, it will be published as an annex to the annual report of the department. External Affairs has always endeavoured to get in its annual report for the completed calendar year, bringing it up to December 31, 1958, and that means that the report itself is not ready for you today; I had hoped as a convenience that the full annual report instead of just this appendix might have been ready when the Committee started its work. I am in your hands.

The CHAIRMAN: Gentlemen, what are the questions you wish to ask in respect of this explanation which has been circulated on the remarks of the Under-Secretary?

Mr. MARTIN (*Essex East*): Do you wish us, Mr. Chairman, to ask questions based only on this sheet of paper, and do you wish us to withhold until later questions not relating to this statement?

The CHAIRMAN: I would think any questions other than those relating to policy would be in order now.

Mr. MARTIN (*Essex East*): I would be very interested in asking Mr. Robertson if he feels he can, under the circumstances, appropriately give us what information is available in respect of the current events in Iraq?

Mr. ROBERTSON: I came straight to the House this morning and I have not seen the night's telegrams. However, information available up to last night made it pretty plain that the uprising under Colonel Shawwaf in Mosul had been suppressed and that President Qasim and his forces appeared to be in complete control of the country.

Mr. MARTIN (*Essex East*): Are there any Canadians in Iraq?

Mr. ROBERTSON: We have a list of 41.

Mr. MARTIN (*Essex East*): I understand the United States authorities are taking some steps towards moving Americans out, or are giving them the facilities for leaving. Is the situation there that serious, and are we taking steps of that kind?

Mr. ROBERTSON: I think our plans for this type of contingency in Iraq are most closely associated with those of the United Kingdom. We have had the help and the cooperation of both countries in different areas where evacuation has been necessary. I think in Iraq it would be done with the United Kingdom. I believe there have probably been preparatory steps taken on both sides, but it did not seem necessary to put anything in motion yesterday.

Mr. MARTIN (*Essex East*): This might be the type of question you cannot answer, and I will understand right away if you say so. I have made the suggestion recently, largely as a result of my visit to Iraq in September that, in view of what seemed to me as obvious events there, we might give consideration to the establishment of a diplomatic mission in Bagdad. Are you in a position to comment as to whether or not consideration is being given to the desirability of this?

Mr. ROBERTSON: Only in a general and a preliminary way. As you know, in the last three or four years we have been trying to strengthen and extend Canadian diplomatic representation in middle eastern countries. We now have ambassadors in the Lebanon and in Israel, where we had formerly been represented by a charge d'affaires, with the Lebanon linked with our representation in Egypt and Israel with representation in Greece. Now those are both separate embassies. For the last six weeks, we have had a full Canadian minister in Tehran. I would certainly agree with you it would have been useful, from the point of view of obtaining political information, to have had somebody in Iraq as well. The rate of progress is limited not only by funds but also by availability of personnel. If you go back ten years when there was really not a beginning of a middle eastern division in the department, it seems to me the expansion in that area has been quite sizable. However, I certainly would not wish to say that further expansion is not required.

Mr. CRESTOHL: Do we do much trading with Iraq?

Mr. ROBERTSON: Not a great deal. Iraq has been and is, I suppose, potentially the wealthiest of the Arab countries in the Middle East. It is a sterling area country and its principal trade in the western world has been with the United Kingdom.

I think an analysis of the trade prospects for Canada was quite a factor in the decision to open the next mission in Iran rather than in Iraq.

Mr. MARTIN (*Essex East*): Would you agree that commercial interests are not necessarily, particularly in view of the present tense circumstances, the basis for establishment of a diplomatic mission?

Mr. ROBERTSON: No; but in an area where there is a real interest in both, the fact that there happens to be a little more opportunity for Canadian trade in one country than in the other, might be the determining factor in deciding where to open a mission.

Mr. MARTIN (*Essex East*): Would you not agree that countries like Western Germany are now extending their commercial relations with the Middle East to a very surprising extent, and it may be that if there is a political reason in the best sense for establishment of a diplomatic mission it could have a consequential commercial advantage?

In view of the increasing importance of various countries which have Arabic or associated cultures, and the possible necessity in the future of furthering diplomatic relations with them, do any of our departmental officers have the opportunity of learning Arabic?

Mr. ROBERTSON: We have had two young secretaries in the department posted to a year's course at a special training school for Arabists. I think this school was actually organized by the United Kingdom foreign service. From time to time I hope we will be able to continue sending promising people. It is a modest beginning but we were starting from scratch.

Mr. SMITH (*Calgary South*): Mr. Chairman, I wonder if Mr. Robertson would perhaps say a word regarding the embassy in Washington? I am thinking of the relationship, or perhaps better, the separation, between Trade and Commerce on the one hand and External Affairs on the other. What I am concerned about is whether or not you feel we are well enough staffed, keeping in mind the events of the past week in respect of the decision of the United States concerning the imposition of mandatory controls on oil and whether or not we are advised well in advance of the atmosphere in Washington on these subjects.

I recognize this is a question on trade, but I am wondering whether or not we are well enough informed in advance as to the sentiment which exists.

I am also interested in our representation in Venezuela. I understand that from time to time we do make representations to them on this subject. Could you say a word on those two points?

Mr. ROBERTSON: Yes. In the Washington embassy the representation of the different departments of government is really very closely integrated. In this field of oil it is not only a matter involving the Department of External Affairs and the Department of Trade and Commerce but there is in Washington also a representative of the Department of Defence Production who has most continuously and strenuously kept in touch with the United States departments concerned with oil policy and oil administration.

The problems are there, plain to see, and unresolved. However, I would not say there was any question of lack of contact or lack of understanding of the position either way. I think it is just a very large and difficult problem.

I am not quite sure what your question is concerning Venezuela.

Mr. SMITH (*Calgary South*): Could I put it this way; has this question been discussed and is it continuously under review by our representatives in view of the fact that the Venezuelan government exports about 270,000 barrels of oil per day? Do we carry on any reviews of their situation in relation to Canada?

Mr. ROBERTSON: I think the contacts, particularly in this field, have been close in the last year or two. They have an ambassador here who takes a very great interest in their export position. We have an ambassador in Caracas, formerly Mr. Bower and at present Mr. Couillard, and there is contact between their embassy in Washington and our embassy in Washington on this particular subject.

Mr. MARTIN (*Essex East*): I was going to suggest that perhaps we should clean up one subject at a time.

Mr. NESBITT: I have a question on the subject of representation. Has any thought been given to the opening of a Canadian consular service in the State of Florida, either in St. Petersburg or Miami?

Everyone knows that many hundreds of thousands of people spend their winters there, many of whom are elderly people, and sometimes difficulties arise because of death and sickness.

I know we have consulates at other places in the United States that do a very fine job. However, I am thinking it would possibly be a great service to individuals if some sort of similar service were set up in one of the major cities in Florida.

Mr. ROBERTSON: At the present time Florida is in the consular territory of our consul-general in New Orleans. He has, I must admit, a very large field extending from Texas to Florida.

Mr. NESBITT: You have not considered having a special one for Texas?

Mr. ROBERTSON: I was looking at the breakdown of costs by missions and I noticed our consular offices cost us an amount comparable to that of most embassies. In fact our New York consul-general's establishment is our third largest appropriation for an office; it follows London and Washington. So it is a very serious undertaking to open a new consulate.

Mr. HERRIDGE: There is a telegraph and telephone communication system between Florida and New York.

Mr. NESBITT: I realize Mr. Herridge comes from a part of the country where they are no doubt unfamiliar with the situation, but a great many people go to St. Petersburg in the winter, and there is a difficulty in respect of making funeral arrangements and that sort of thing.

I would not suggest that a consulate be established for that purpose, but there are other things. Of course there is a telephone between Florida and New York.

Mr. MARTIN (*Essex East*): In regard to the question Mr. Smith asked, I take it there are two types of representations which might be made by Canada to Washington; one by our diplomatic mission to the State Department and the other to the Secretary of State.

Mr. Smith told us in the House of Commons the other day that Canada protested the recent anticipated oil occurrence on February 19. That was done, I take it, by note from the Secretary of State for External Affairs to the Secretary of State in the United States.

Mr. ROBERTSON: I think what happened was that the Secretary of State for External Affairs instructed our charge d'affaires to deliver the government's views.

Mr. MARTIN (*Essex East*): That was prior to the request by the President on or about February 28 for an extension of time to give him the opportunity of considering the proposal for mandatory curbs. May I ask was any protest of any kind sent by Canada between February 19 and March 10?

Mr. SMITH (*Calgary South*): I suggest this was answered by the Prime Minister in the house yesterday.

Mr. ROBERTSON: Before I plunge, it would be of help to me to know just what was said in the House yesterday.

Mr. MARTIN (*Essex East*): I asked the Prime Minister whether or not a protest had been made after February 19, and I do not think the Prime Minister appreciated the full import of the question.

Mr. SMITH (*Calgary South*): I think he did, Mr. Chairman.

Mr. NESBITT: Mr. Chairman, I do not think this is a fair question to ask the under-secretary.

Mr. MARTIN (*Essex East*): He said the government was continually giving consideration to protesting undesirable acts affecting Canada on the part of other countries. My question is: was there any protest of any kind made—

Mr. NESBITT: I think this might be reserved until the minister returns.

Mr. MARTIN (*Essex East*): May I ask my question? I do not want to embarrass Mr. Robertson. If he does not wish to answer I will readily understand. I simply ask, does he know, as the permanent head of the department, whether a protest of any kind was made by Canada after February 19 on any level?

Mr. ROBERTSON: I would have to check the dates on the files. I do know that Canadian views on questions of interest have been put very fully and very continuously over a long time before the American government.

Mr. MARTIN (*Essex East*): That is clear. But my question was: in view of the request made by the President as to the recommendation for curbs, was there any protest of any kind or at any level made by the government of Canada to the government of the United States?

The CHAIRMAN: The under-secretary will take the question as notice and give you an answer later.

Mr. McGEE: I am wondering if the under-secretary might give us some information which other members perhaps might have, but which I do not have. It concerns the registration of lobbyists in Washington. It is my understanding lobbyists must be registered according to law in the United States.

Mr. ROBERTSON: Yes.

Mr. McGEE: I am wondering what is the extent of the Canadian lobby or lobbies in various fields.

The CHAIRMAN: In Washington?

Mr. McGEE: Yes.

Mr. ROBERTSON: I think that United States law requires that any agent or representative of any foreign government has to be registered. The Canadian lobby may be considered as being the Canadian embassy. The Canadian government does not, as a matter of practice, use the services of public relations firms or lobbyists at all in its dealings with the United States government.

Mr. McGEE: I appreciate that. I was asking for information which presumably would be available to the Department of External Affairs. Are you suggesting there are no Canadians registered as lobbyists in Washington?

Mr. ROBERTSON: No, I would certainly not like to leave that impression. But at the same time I do not like to attempt to answer the question. I am not quite sure, for instance, what the legal position is under this United States law. Quite a few Canadian companies have representatives in the United States. Whether, in fact, they are required to register under this law I would not be able to say without looking into it. The same thing might apply in respect to the various trade representatives who are often interested in what has happened.

Mr. McGEE: Presumably, if there is a law requiring registration, there will be a registry somewhere.

Mr. ROBERTSON: Yes. I think it is maintained by the United States Department of Justice. I think any American public relations, advertising or promotional firm which takes a brief from a foreign government or a foreign interest has to disclose its interest, and register.

Mr. McGEE: Is it proper to request that this information be made available to the committee?

The CHAIRMAN: I would think so.

Mr. ROBERTSON: We can ask our embassy in Washington to find out.

Mr. CRESTOHL: Could you tell us what is the custom in respect of the making of announcement by the head of the state when the announcement affects another state? Does the announcement first go to the embassy of the state affected, or is it just abruptly announced, as in the case of the United States announcing the statement on oil? Would it be passed on to the embassy first before appearing in the press?

Mr. ROBERTSON: I think on the question of communications between governments it is customary to let the other country know that you are proposing to publish a communication and ask if they have objections to it. In the case of the promulgation of the presidential order on oil, that was, I suppose, legally a domestic United States action.

That was, I suppose, really a domestic American act. I think it was one which affected every country in the world interested in the oil trade. I would not expect advance copies of a proclamation like that to go to all the countries, although I would not like to leave the impression that the Americans do not go out of their way to keep us informed of what they are proposing to do.

Mr. MARTIN (*Essex East*): There would be no difficulty, I take it, according to your experience as an ambassador in Washington as well as in your present position, for the head of a government to make representations to the President of the United States about any matter concerning which the former felt keenly?

Mr. ROBERTSON: No, there would be no difficulty.

Mr. SMITH (*Calgary South*): I am sure this is directly what happened after the Carson committee made its recommendations. It was then purely a question for the President to decide whether or not he was going to abide by a United States supreme court decision and recognize the need for control.

Mr. ROBERTSON: That is right.

Mr. SMITH (*Calgary South*): Going back to June 1957, and the criticism which I had heard prior to that time as to Venezuela, for example, maintaining a substantial lobby, the United States took the position that they could not accept us, because it might affect their relations with that country.

Up to June 1957, were we kept apprised of the recommendations of the Carson committee? I realize that goes back before your period of office, but that is what I am attempting to get at.

Mr. ROBERTSON: I just do not know what the answer would be.

Mr. KUCHEREPA: During your years in Washington as ambassador do you recall any occasions when the head of a Canadian government made direct representations to the President of the United States?

Mr. ROBERTSON: The word "representation" is rather a technical term. But our Prime Minister and the President of the United States have had conversations in Washington, as well as up here; and I assume that they could be in touch with each other informally from time to time.

Mr. KUCHEREPA: Speaking in a formal sense, can you recall any occasions when direct representations were made by the Canadian governement to the President of the United States?

Mr. ROBERTSON: It is my impression that there are questions before the house and a tabulation under way of representations and protests which I think has been promised in the house. I would prefer to see what evidence is produced.

Mr. MARTIN (*Essex East*): When were you appointed as ambassodor to Washington?

Mr. ROBERTSON: May 15, 1957.

Mr. HERRIDGE: May I ask this question which I have heard discussed on a number of occasions by members of the committee, and for the information of the members: whether our representative abroad is an ambassador, a minister, or a charge d'affaires; to what extent is he allowed to make decisions on the spot? What degree of importance in a question requires him to consult with Ottawa, and what is the usual procedure in that respect?

Mr. ROBERTSON: I would say that consultation on any question of policy between a representative abroad and the government at home would be complete and continuous. Whether it be an ambassador, a minister, or a charge d'affaires, does not really alter the question. It does not mean that there is a greater delegation of responsibility between one class of representative as compared to another.

Nowadays with communications as prompt and secure as they are, any representative abroad—virtually any representative abroad—can get in touch with Ottawa within a day and consult, or get instructions as to the action he should take. That is one result and I think that is true of all diplomatic services—of the enormous speeding up, not only of telegraphic but telephonic communications, but of the provision for automatic ciphering which they have between a good many of the important offices.

A situation in which the representative is isolated for a while and has to use his own judgment without being able to inform his government, does not happen very much now; it is very rare.

The CHAIRMAN: Are there any other questions?

Mr. CRESTOHL: I see from your memorandum that six heads of missions retired from the service. Can you tell the committee whether the circumstances under which they retired were due to resignation or otherwise?

Mr. ROBERTSON: What is that, please?

Mr. CRESTOHL: Did the six heads of missions retire because of resignation, or was it under other circumstances? I refer to page two of your memorandum.

Mr. ROBERTSON: Yes, I have found the paragraph. I am familiar with the circumstances in some cases and I am not familiar with the circumstances in others. I can tell you by inspection, there are two or three, who had reached statutory retirement age. I see two or three others who did not. Whether in every case the resignation or retirement was accompanied by a letter of resignation I could not say without notice.

Mr. RICHARD (*Ottawa East*): What is the statutory retirement age?

Mr. ROBERTSON: It is the same age as for the civil service; normally it is 65, but it can be extended, as was done in the case of Mr. Wilgress, for a year. Then he was given a supplementary extension because the government wanted him to carry on at the "surprise attack" talks in Geneva last autumn.

Mr. HELLYER: Are there provisions for early retirement by agreement?

Mr. ROBERTSON: I think the general provisions of the Civil Service Act would apply.

Mr. MATTHEWS: In the case of people who come under the terms of the Special Superannuation Act, they cannot get a pension before 65 unless it be for the reason of ill health. Under the Civil Service Act, when career people are appointed, they can retire at the age of 60 and get a pension.

Mr. RICHARD (*Ottawa East*): What pension would they get in the special cases you mention?

Mr. MATTHEWS: I am afraid I would have to look up the original wording of the Act regarding the scale of pension entitlements. I have not that information here, but I could bring it for you.

Mr. RICHARD (*Ottawa East*): Would you please bring it for us.

Mr. MATTHEWS: Yes.

Mr. RICHARD (*Ottawa East*): I am under the impression that in special cases they can get a full pension in ten years.

Mr. MATTHEWS: No, in five years a minimum pension; in ten years, it goes up; and it increases every year thereafter to a maximum of 70 per cent, as under the Civil Service Act; but just what the steps are, I would have to let you know later.

Mr. HERRIDGE: Dr. Keenlyside was for eight years director general of the technical assistance administration of the United Nations. During that time was he still considered as one of the personnel of the Department of External Affairs?

Mr. ROBERTSON: Yes, I think he was seconded for service with the secretary general of the United Nations. He was really seconded twice. He went from the Department of External Affairs to be deputy minister of the Department of Mines and Resources, and from there he went to be director of the technical assistance program. But he was on the External Affairs establishment until he resigned last summer.

Mr. SMITH (*Calgary South*): Who replaced Mr. Désy as ambassador to France?

Mr. ROBERTSON: Mr. Pierre Dupuy is now our ambassador to France. He had been our ambassador in Rome.

Mr. HERRIDGE: What is the procedure for appointment if a Canadian citizen is appointed by some agency of the United Nations to do a particular work for any nation? Is there any recommendation or anything required from the Canadian government or from the department?

Mr. ROBERTSON: No. I think the initiative in all these cases comes from the specialized agencies or from the secretary general, in the case of the United Nations. If they want the service of somebody, such as a Canadian citizen, they move directly in the matter. But if they want the services of somebody in the Canadian service, they would inquire whether his services could be made available.

Mr. HERRIDGE: They would deal directly with a Canadian citizen, but not if that person were a member of the personnel of your department?

Mr. ROBERTSON: Yes. We have one man who is seconded to help the secretary general on a loan basis. I hope he will be coming back to our service in a year or so.

Mr. MARTIN (*Essex East*): You are referring to Mr. Murray?

Mr. ROBERTSON: Yes.

Miss AITKEN: Is he paid by the United Nations?

Mr. ROBERTSON: He is paid by the United Nations, but he has the status of a Canadian civil servant, and his ultimate pension rights are protected in the ordinary way should he return to our service.

Mr. MARTIN (*Essex East*): I think it should be noted that the secretary general of the United Nations has chosen one of our men to be in the closest immediate advisory capacity to him. I refer to "Geoff" Murray.

Mr. ROBERTSON: Yes.

Mr. NESBITT: I can well understand why the secretary general would do just that.

The CHAIRMAN: Are there any further questions?

Mr. VIVIAN: I wonder if Mr. Robertson would care to comment on the succeeding paragraph on page two of his memorandum and tell us what this inspection service in connection with the Department of Trade and Commerce amounted to?

Mr. ROBERTSON: It has been necessary as an administrative development, in an effort to try to keep up with the expanding number of offices. I think this inspection service is a combined effort as a rule, in which our department, the Department of Trade and Commerce, the Treasury Board, and on odd occasions the Civil Service Commission, examine and make suggestions on the organization and conduct of business, and the allocation of the work at the different posts; and there are field inspections.

We have a team going away today. But I think this year, the group is a purely External Affairs team. Two senior officers who have a good deal of experience both in the field and in the department will go to look into matters

on the spot; that is, into the actual working arrangements, staff relations, the premises, and so on, at about half a dozen posts in a convenient geographic area.

We have had an inspection service for three years, and a timetable is being worked out. I think perhaps we would like to have this kind of field check made every three of four years. Perhaps Mr. Matthews could expand on the point.

Mr. MATTHEWS: Inspection teams make about three tours a year. We always try to get someone from outside our department on them because we feel it makes for a better inspection. On the last one we had someone from the Civil Service Commission; and I think next time someone from the Treasury Board will go with us.

The objective is to have them visit each post every three and one half years, to look into it from the point of view of administration and so on. We like to get their comments and their report on how these missions can be improved; and they are able to discuss these problems on the spot.

Mr. VIVIAN: Thank you.

Mr. MARTIN (*Essex East*): Would this be the appropriate place, Mr. Chairman, to ask this question? The other day I ventured to ask in the house whether, in view of the statement made by the prime minister of Israel that he would like to have an opportunity at this time of reviewing matters between the United Arab Republic and Israel, the Canadian government would not give consideration to taking steps somewhat similar to those which they took as one of the sponsoring nations of the United Nations in 1952, to call upon the parties in that area to negotiate in accordance with the terms of the earlier arrangements. I cited the successful development in Cyprus. I wonder if the Canadian government could give consideration to taking the initiative after careful consideration which might lead to a discussion between the United Arab Republic, in particular, and Israel, as a means of seeking to resolve problems that concern them and that concern us all.

I wonder if Mr. Robertson's attention has been drawn to the suggestion I made, and if he has any comment to offer.

Mr. ROBERTSON: I think that is a question on which the only comment should come from the minister.

The CHAIRMAN: I think that is a question of policy.

Mr. MARTIN (*Essex East*): I do hope that the matter will be carefully considered by the department at this time.

The CHAIRMAN: Are there any further questions? There must be a lot of material in this statement in which you are interested. I certainly do not want to cut discussion short at all.

Mr. MARTIN (*Essex East*): What is the latest with regard to the foreign ministers' meeting? Is there anything you could add to what was last said?

Mr. ROBERTSON: No. I have nothing to add to what was said in the house.

Mr. MARTIN (*Essex East*): Is it the intention of the Secretary of State to report to the committee?

The CHAIRMAN: I think that possibly, in view of the importance of this General Item we could stand it over, and have the under-secretary appear before us again. Maybe there will be questions arising from time to time, of which we should make note, for the under-secretary to answer at some future meeting. Does that meet with the approval of the committee?

Mr. MARTIN (*Essex East*): My question was about the Secretary of State for External Affairs.

The CHAIRMAN: I have made an announcement about that already.

Mr. MARTIN (*Essex East*): I wonder if Mr. Robertson feels that my last question, being of a policy nature, should be answered by the minister. And in view of its importance, I was wondering when there would be an opportunity, and whether he will be returning,—because there are a number of other questions of a policy nature I would like to ask.

The CHAIRMAN: Mr. Martin, at the last meeting I indicated that the minister would return, and that he could not possibly be here today because of another engagement. No doubt he will be back.

Shall we stand Item 76 and pass on to Item 77.

*Item 77.* **Representation abroad—operational, $9,606,439.**

The CHAIRMAN: Are there any questions on Item 77?

Item agreed to.

*Item 78.* **Representation abroad—construction, acquisition or improvement of buildings works, land, equipment and furnishings, $1,565,405.**

Mr. KUCHEREPA: Might we have a progress report on this item?

The CHAIRMAN: Mr. Matthews will answer your question.

Mr. MATTHEWS: I can give you a brief report of what happened during the past year. Actually, we have been trying to develop new procedures for examining both buildings that are recommended for purchase and in arranging for the design of buildings abroad.

Therefore, the total number of projects completed during the past year has not been as large as we had hoped. We are at the moment working hard to arrange for the purchase of a residence in Buenos Aires. We do not have at the moment anyone we could have sent down to examine this property, so the Department of Public Works made available the services of their chief architect, who went down for us to look into this property. I think that is evidence of far closer cooperation between the two departments. The have personnel and facilities which can be made available on short notice.

The figures for the actual expenditures to date during the current fiscal year, indicate that there have not been any large expenditures for the purchase of new buildings. We have completed some construction projects and we have completed a chancery in Paris. I think that was the largest item. We have also completed alterations that were needed in New York.

When we were here last year, there was a very substantial sum in this year's estimates to finance these things.

Expenditures under the capital item for the current year up to March 1 amounted to $530,000. The proposed purchase of an official residence in Buenos Aires during the current fiscal year may add to this total. There is always a time lag in entering the last month's expenditures abroad in the books; so that more than the normal monthly expenditure for furnishings will eventually be changed.

The plans for next year will, we hope, permit us to get at least a start on the embassy building in Brussels, and a start on the new chancery premises in Canberra and New Delhi. We hope to start on a construction program in Ankara. In Ankara we have unsatisfactory quarters rented both as residence and chancery and we hope to begin projects there. These will be the main ones we are contemplating constructing.

There may be properties turn up that we would want to buy, but it is very hard to forecast because you never know where a suitable property may turn up at a price which makes it a desirable purchase.

Mr. KUCHEREPA: We have land in Canberra?

Mr. MATTHEWS: Yes. We have a ninety-nine year lease from the Australian government on a very satisfactory basis.

Mr. KUCHEREPA: How close are we to construction there?

Mr. MATTHEWS: We are still working on design, but we hope that fairly early in this fiscal year we will be able to start—that is, in the coming fiscal year.

Mr. HERRIDGE: I note on page 3 of this statement that reference is made to "furnishings schemes, in full or in part". Does that mean furnishings are done representing certain periods such as Queen Anne, Victorian and Edwardian? Would you explain that?

Mr. MATTHEWS: Where we buy or build a residence for a chief of mission, or property as a chancery or office, naturally we have to have a furnishing scheme. We try to keep it of a kind that is properly integrated; we do not want to mix local office furniture with Louis XV, or whatever it may be. Therefore, you can see we try to have a design worked out which is satisfactory as a whole, rather than in bits and pieces. We do this in two ways. We have some decorators on the staff of our Supplies and Properties Division and these people do the work themselves as much as possible.

We also make use of commercial decorators to give us recommendations on furnishing a house. The period furnishings schemes mentioned are usually necessary where we have rented a house which is partially furnished and we need to add some supplementary pieces.

Mr. HERRIDGE: That means if you acquired property which had furnishings in the period of Louis XV, you would continue that period?

Mr. MATTHEWS: You would certainly endeavour to have something which would go well with the furniture already there. You would not necessarily try to get period pieces.

Mr. HERRIDGE: You keep up the tradition of the Foreign Office?

Mr. MATTHEWS: Not exactly.

Mr. NESBITT: I have in mind a question much along the same line as Mr. Herridge's. Just as an observation, during an opportunity to spend a brief time in the new embassy in Paris, I noticed that certain parts of the new embassy were extremely well decorated and certain others followed the scheme Mr. Matthews mentioned, I suspect, of adding certain period furniture. The supplementary furniture pieces, I think had been made in Canada, and looked very much like it—with phony worm-holes and everything else. It did not look very attractive.

If you are going to supplement these furnishings I think it is a very good idea to attempt to get something approaching the genuine article.

The main thing I have in mind is something which has been brought up previously. Is consideration being given when furnishing embassies to furnish them completely with an eye to, shall we say, advertising—I do not like the term—Canada? There are very many good furnishings made in this country which have a distinctive flavour.

I know there is a committee at the present time selecting Canadian paintings to go in these embassies, but I am wondering to what extent it is contemplated that this policy will be followed in the future?

Mr. MATTHEWS: Wherever it is feasible to do so, we do buy in Canada and send abroad. There are certain times when it is not possible. Sometimes it adds very much to the expense. In tropical posts, you sometimes have to have furniture made of special woods in order to resist rot. In some cases we send these posts Canadian steel office furniture. We do, wherever possible and where it is financially reasonable, send Canadian furniture. As it is often only a matter of adding a few pieces, it is not worth trying to place an order in Canada and ship it out.

Mr. NESBITT: I may say I think there is a general feeling that when one visits an embassy of another country he expects to see something which indicates the flavour, atmosphere or culture of that country. When you see something else which is totally unrelated, it comes as a bit of a disappointment or a surprise.

Mr. MATTHEWS: I think it is really a matter of a compromise. You have to have something which fits into the surroundings of the country where you are. For instance, you would not expect to have the same furnishing scheme in Paris that you would possibly have in New Zealand or some other country. What is the norm in different countries will vary and you have to have furnishing schemes which are acceptable from that point of view.

Mr. RICHARD (*Ottawa East*): I do not suppose your decorators would be inspired in their choice of office furniture by what we have in the House of Commons here.

Mr. NESBITT: I hope they did not stick to the wine and green which we have here.

Mr. MONTGOMERY: I would like to go back to the question of property. Do you find that in some places it is cheaper to rent than to purchase property and own it? Is there a policy on this? When do you try to purchase property and when do you simply rent it?

Mr. MATTHEW: I think as a generalization you can say in the long run almost everywhere it would be cheaper to own, for two reasons. One reason is that the residence of the head of mission and/or chancery abroad is tax-free if we own it, the same way foreign missions here are tax-free. The second reason is when you rent quite often you have to move, and to move is always a very expensive procedure because your furniture, furnishings, curtains and rugs always, or quite often, are not suitable for the new property. So it is very much more expensive to move from one property to another.

Obviously, we cannot purchase our buildings everywhere at once, particularly because of the financial end of it and also the necessity of investigating these properties. So we do normally rent where suitable property can be available at reasonable rentals. Where rents are either extreme or where what is available for rent is not suitable, we give priority to expenditure of money for purchase or construction.

Mr. MONTGOMERY: Thank you. The other question I have is this: you have a property branch?

Mr. MATTHEWS: Yes.

Mr. MONTGOMERY: If you are going to build any building, do you also have in your department architects who design these buildings or do you depend on Public Works or outside architects?

Mr. MATTHEWS: Actually, we have on our strength two architects who have done some designing. But, as I mentioned, our progress this year has been rather slow because we have been trying to work out new schemes, one of which is a method of selecting Canadian architects to design our buildings abroad. Obviously, it would not be desirable or worth while financially to have on our staff enough architects to do all the work we want. So there has been established an architectural advisory committee, one of the functions of which is to recommend architects for carrying out projects abroad.

The membership on that committee consists of a representative of our Department, a representative of the Department of Public Works and three Canadian architects nominated by the Royal Canadian Institute of Architects, an organization to which every architect in Canada belongs.

Mr. MONTGOMERY: That committee then advises on the type of design?

Mr. MATTHEWS: They will recommend an architect. That architect then will submit a design, and the idea is that all designs would be approved by this architectural committee before the contracts are awarded.

Mr. McGEE: Who are the members of this committee at the present moment?

Mr. MATTHEWS: From the department, it is myself; the other members are Mr. Gardiner, the Chief Architect of the Department of Public Works, Mr. Payette of Montreal, from the Royal Canadian Institute of Architects, Mr. Gordon Hughes of Ottawa, and a Vancouver architect, whom I have met only once.

Mr. RICHARD (*Ottawa East*): I am interested in whether or not there is any real scheme in respect of future buildings for embassies or legations abroad from Canada, covering distinctive Canadian types of buildings, regardless of whether they are in Spain or somewhere else, so that when somebody goes there they say, "This is Canada". We should have a building which looks like Canada and is furnished like Canada.

Mr. MATTHEWS: Your detail can be Canadian, but you cannot have the same type of design for Kuala Lumpur as in Stockholm or Oslo.

Mr. McGEE: I am wondering if the member can give us an example of a typical Canadian building?

Mr. RICHARD (*Ottawa East*): Well, we have the city hall.

The CHAIRMAN: Are there any other questions?

Miss AITKEN: I would like to ask if we own the embassy in London and, if so, in a country where gardens are a way of life, why we have an embassy without any garden whatsoever?

Mr. ROBERTSON: May I answer the question, as I lived there for a number of years. It is always a problem of balance in London whether you are going out to the suburbs where the gardens are, or whether you are going to try to have a city house right in town.

Our residence in London is as close to the heart of London as a house could be. Now and then perhaps it is not so pleasant for occupants who would like a garden. However, a large part of our work is representation and it is an easy matter to bring people to lunch from the office and return. I feel on balance for eight or nine months of the year there is a great deal to be said for having a town house. I think the advantages of a central location have to be a compensation for lack of gardens and grounds and all the things which are more pleasant for the High Commissioner.

Mr. HERRIDGE: Where is the residence in London located?

Mr. ROBERTSON: Right in the heart of the West End between Grosvenor Square and Park Lane.

Mr. HERRIDGE: A very "posh" place.

Mr. ROBERTSON: It is becoming very much a business place. It could not be more centrally or conveniently located.

Mr. KUCHEREPA: Relative to the statement made by Mr. Matthews, if we are taxation exempt on all property owned, whether residences or chanceries, does that apply in a case where we have land leases?

Mr. MATTHEWS: No. It does apply in a place like London where you have a long lease, but not for an ordinary lease for a period of years. It will apply in Australia, where we have a 99-year lease and will own our own building.

Mr. MONTGOMERY: It says here that blocked funds were available for these expenditures. What is meant by blocked funds?

Mr. ROBERTSON: At the end of the war there were credits accruing to the Canadian government, mostly on account of the military relief fund, I think. A number of European countries which had been occupied,—for instance France, Italy, Yugoslavia and Holland came out of the war in very acute balance-of-payments difficulties. In the financial settlements with them it was agreed to accept in settlement funds which could not be converted into American or Canadian dollars and would need to be spent locally. Expenditures for properties have been authorized from these, and also in some places they have been used to finance Royal Society scholarships which have enabled Canadian architects and students, for instance, to study in these countries.

Mr. MONTGOMERY: They do not necessarily come entirely under your department?

Mr. ROBERTSON: No. It is a general Canadian government credit which is not convertible and must be used within the country.

Mr. MONTGOMERY: For any purpose the government decides?

Mr. ROBERTSON: Yes.

Mr. KUCHEREPA: Have you any idea how much there is tied up in such blocked funds?

Mr. ROBERTSON: It is very much diminished.

Mr. MATTHEWS: The total amount in the Netherlands as at March 31, 1958 was $2,293,000. The rest of accounts from other countries have all been paid off and the funds used.

Mr. DINSDALE: Do we own our embassy in France?

Mr. MATTHEWS: Yes.

Mr. DINSDALE: And in the U.S.S.R.?

Mr. MATTHEWS: No.

Mr. NESBITT: We cannot there.

Mr. KUCHEREPA: What are the arrangements in the U.S.S.R. relative to our premises?

Mr. MATTHEWS: It is rented from the Soviet government. The total rental of the compound, which includes the ambassador's residence, office and some staff quarters, is $10,620 a year.

Miss AITKEN: Is that considered a satisfactory embassy?

Mr. MATTHEWS: We are getting very cramped. For instance, the Department of Trade and Commerce want to send in an officer within the coming year and we will be very hard put to accommodate him. We are now negotiating with the Russians in an attempt to have an addition put on so we will have more office quarters.

Miss AITKEN: Does any country own its embassy there?

Mr. MATTHEWS: I am not sure exactly the nature of the arrangement, but I do know Sweden has just built an embassy. What the actual arrangement is I am not sure, but I have seen pictures of that building. I think almost all are in the same position we are in, that they have to rent government property.

Miss AITKEN: The British one is much more impressive than ours.

Mr. DINSDALE: I notice that the cost of maintaining the Canadian embassy in the U.S.S.R. is substantially smaller than in France. What would be the major explanation for that situation? Is there less activity?

Mr. MATTHEWS: Yes. There are fewer people. It is very much smaller.

Mr. ROBERTSON: Per capita it would be higher.

Mr. MATTHEWS: Per capita it would be as high as or higher than the other you mentioned.

Mr. KUCHEREPA: The U.S.S.R. government maintains their embassy here in Ottawa and they would not be paying any taxes whatsoever?

Mr. ROBERTSON: Yes.

Mr. KUCHEREPA: How does that compare with the arrangements in Russia? Are we getting a fair deal on this exchange of privileges?

Mr. MATTHEWS: It is very difficult to estimate that. The cost of the ruble dropped very much about a year and a half ago. Some things will be more expensive there and some less.

The rental we pay there is fairly modest when you think that it covers office and residential quarters. But other things are undoubtedly very expensive.

Item agreed to.

**Item 79. Official hospitality, $40,000.**

Mr. MONTGOMERY: In respect of official hospitality, is that the total amount distributed among all our foreign offices?

Mr. MATTHEWS: That is the expenditure in Canada.

Mr. MONTGOMERY: Is there nothing further for official hospitality for these other embassies? Is that included in these expenses here?

Mr. MATTHEWS; Yes. That is included in the representational allowances paid to the officers at those missions.

Item agreed to.

**Item 80. Relief and repatriation of distressed Canadian citizens abroad, $15,000.**

Mr. VIVIAN: What does this amount to? Is it something which is unrecoverable?

Mr. MATTHEWS: It is always advanced against an undertaking to repay. if you look over the years, you will see that about 50 per cent is repaid.

Mr. KUCHEREPA: It is a revolving fund?

Mr. MATTHEWS: Yes.

Mr. HERRIDGE: Under what system would those advances be made?

Mr. MATTHEWS: If a Canadian becomes destitute or sick while abroad and needs help; any case where a Canadian abroad needs help and that money is not available from charitable sources. In respect of hospitalization, or whatever it may be, if they have no funds of their own and cannot obtain them from other sources we advance against an undertaking to repay.

Mr. HERRIDGE: There was an unfortunate case which developed in connection with a man from my constituency who died some years ago. He was on war veterans allowance and the doctor had advised him to go to Mexico because of a lung condition, where he would be able to live in a dry climate and at a high altitude. In going to Mexico, he lost his war veterans allowance. I used to send him his money each month and in writing to him he had my letters in his possession. The Mexican peasants found my letters in his effects and they wrote to tell me they had found his body and that they had buried him. The cost to them was 700 pesos, I think. They were very poor people and wanted to know if I could do anything to have them repaid.

I got in touch with the Department of Veterans Affairs and they said they would take it up with the Department of External Affairs. What would your department do under those circumstances?

Mr. MATTHEWS: I think there are certain veterans funds where one can go to obtain assistance; but I do not think any government funds have been used for burial abroad any more than at home.

There are certain charitable funds we know about, either in Canada or in the various countries abroad, and we approach these organizations to get assistance. I am pretty sure we have not used government funds out of this appropriation to pay for burial expenses.

Mr. HERRIDGE: I was advised by the Department of Veterans Affairs that they were taking it up with the Department of External Affairs, and I was wondering if your department paid it or made arrangements for repayment and, secondly, if there had been anything done in respect of a headstone.

I remember noticing that a Canadian veteran died in Spain and the Canadian ambassador or his representative attended the funeral. The Canadian government provided for the expenses, and I understood there was a headstone erected.

Mr. MATTHEWS: There is no regular procedure for using departmental funds.

Mr. ROBERTSON: You may be thinking of the Imperial War graves cemetery for all those Commonwealth soldiers who were killed in the Mediterranean and who have no known graves. I know that our ambassador to Spain was asked to go to represent Canada at the unveiling.

Mr. HERRIDGE: This was an individual case of a Canadian soldier, a Canadian citizen. He was torpedoed, I believe. He was captured, and interned during the war and was kept for some years in an internment camp. Later he was released; he apparently lived there for some time and ultimately died. The Canadian minister, or ambassador, attended the funeral, and made arrangements concerning the cost. That is why I asked the question.

Mr. MATTHEWS: Arrangements for such costs would not be made through government funds. It must be done through some private organization.

Mr. CRESTOHL: I do not know if my question falls under the heading of expenditures, but it has something to do with the costs of the head of legations who have Christmas parties for their staffs and families. I had occasion to be invited to one of those gatherings. It was really very pleasant to find that the heads of legations did that sort of thing, making a little bit of Canada around the festive season. But I was told that it had to be done with the personal funds of the ambassador. I found that a little odd. There was no one else invited, except members of the legation and their wives and children. It was something which I felt was very appropriate to be done, and I could not see why it should be done at the exclusive and personal cost of the ambassador himself.

I raised this question two or three years ago when I was told that the matter would receive some attention. I am curious to know if it is now included in the expense account of the ambassador.

Mr. ROBERTSON: No, not as an identifiable expense. I think it would probably be regarded as a reasonable item once a year, in his general representation allowances, to permit him to cover it.

It is an allowance to see that Canada is adequately represented in the country where he is; and it is customary around Christmas time to have a party. It depends, I suppose, where you are. I suppose in a small mission they would pull in all the Canadians in the community, but it might not be practical in a place like London or Paris where so many Canadians are living. I think it is a thing which has to be conducted informally among the local personnel.

Mr. CRESTOHL: I found myself in Rome at the time, and I was very happy to be among those present on that occasion. But the ambassador told me that the cost came out of his personal expenses. I do not know if it was out of his expense account or whether it was out of his personal funds. I understood him to say that it was his own personal cost, and I found that a little odd.

Mr. MONTGOMERY: Maybe that is something we should not go into too much.

Mr. CRESTOHL: I think it should be expected of a legation, but not as a personal cost.

Mr. HERRIDGE: I have one more question under this item. Is it correct to say that the living destitute Canadian abroad can be assisted from this fund, but there can be no assistance in the case of whose burial as well as other services, is required. There appears to be distinction as to whether the Canadian be living or dead?

The CHAIRMAN: I think Mr. Clark, the head of the finance division, will answer your question.

Mr. H. F. CLARK (Finance Division, Department of External Affairs): The instructions, which we issue to the missions in a manual called "Consular Instructions", provide, among other things, insofar as the relief of destitute persons is concerned, that when death occurs and there is no means of obtaining financing assistance towards the cost of the funeral, the head of the post or the consul general may at his discretion to organize a funeral at public expense. For example, in the tropics where there is not much opportunity to refer a case to Ottawa and where burial has to be made, usually the same day, that is so. In short, instructions exist whereby the heads of posts or consuls-general have the discretion to authorize a funeral at public expense, if the case is completely hopeless as far as receiving financial assistance from Canada is concerned.

Mr. HERRIDGE: From what fund would such an expenditure be made?

Mr. CLARK: From this item just discussed.

Item agreed to.

**Item *81*. Canadian representation at international conferences, $243,000.**

Item agreed to.

**Item *82*. Grant to the United Nations Association in Canada, $11,000.**

Mr. NESBITT: How is the amount of that money distributed? Is it given to the association, and they in turn distribute it to the branches, or what?

Mr. MATTHEWS: It is given as a grant to the parent association.

Mr. ROBERTSON: The central office receives it to assist their publications.

Mr. MATTHEWS: Yes.

Mr. CRESTOHL: Has there been any request for an increase in this allocation?

Mr. MATTHEWS: No.

Mr. CRESTOHL: How long has it been at that figure?

Mr. MATTHEWS: 1954-55 was the first year when it was $11,000.

Item agreed to.

**Item *83*. Grant to the International committee of the Red Cross, $15,000.**

Mr. HERRIDGE: Is it customary for most countries to contribute to the International Committee?

Mr. ROBERTSON: Yes. That is the way its central organization is financed partly from private and partly by grants from governments.

Mr. HERRIDGE: Is any capital basis set according to population?

Mr. ROBERTSON: No. It is just a set figure, as it was in the past, I imagine.

Mr. NESBITT: In that regard, is there any association or liaison between the Red Coss and the Soviet counterpart, the Red Crescent, or whatever it is called?

Mr. ROBERTSON: No; but I think a Soviet delegation attended the big conference of the Red Cross which was held in Canada about three years ago.

Mr. VIVIAN: There is a liaison between the International Red Cross committee and the Soviet counterpart either directly or indirectly, depending on how they feel about it.

Mr. HERRIDGE: There must be some cooperation, because I know that a large percentage of the people in my riding are Doukkobours and they were anxious to know the whereabouts of their people in the old country. They came to Ottawa, and as a result of the cooperation of the Red Cross and their contacts with a similar association in the Soviet Union, they were able to get the information they wanted.

Item agreed to.

**Item 84. Grant to the Canadian Atlantic Co-ordinating committee, $2,500.**

Mr. NESBITT: May I ask a question here?

Mr. ROBERTSON: I shall read the particulars from our estimates:

> The Canadian Atlantic Co-ordinating Committee was formed through the assistance of the Canadian Institute of International Affairs and the United Nations Association (originally in co-operation with the Canadian Association for Adult Education) in December 1953, as a result of an international study conference on the Atlantic community held at Oxford and Copenhagen in 1952 and 1953. The Canadian committee is affiliated with the international organization in support of NATO known as the Atlantic Treaty Association, and its constituent organizations are the C.I.I.A. and U.N.A. The aims of this association are:
>
> 1. To educate and inform the public about NATO;
> 2. To conduct research into its various activities and purposes;
> 3. To promote the solidarity of the peoples of the North Atlantic area.

In the arrangements made this year for the observation of the tenth anniversary of NATO, the Canadian committee has been cooperating.

Mr. NESBITT: Where does the committee have its headquarters, and who is the president?

Mr. ROBERTSON: The chairman is Professor MacInnis who was chairman of the Institute of International Affairs. I think his quarters are at 230 Bloor street, Toronto.

Mr. NESBITT: Does this group have other sources of income besides this item?

Mr. ROBERTSON: We have a financial statement here. It operates in a very modest way. I think its principal source of finances is this grant of $2,500; and it has a modest bank balance on which it derives some interest.

Its expenses are incurred in organizing participation in activities connected with the North Atlantic Treaty Organization; for example, the conference which was held in Boston last autumn.

Mr. NESBITT: Are there many branches?

Mr. ROBERTSON: No. I think there is only the central organizing office.

Item agreed to.

**Item 85. Canadian government's assessment for memership in the international (including commonwealth) organizations, $3,838,519.**

Mr. DINSDALE: Under item 84, if the appropriation is not required in 1959-60, I understand it reverts to scholarships for Canadians travelling abroad. Has this program been discontinued?

Mr. ROBERTSON: It has been taken over by the Canada Council.

Miss AITKEN: Does item 85 include the Commonwealth Parliamentary Association?

Mr. ROBERTSON: I would not think so.

Mr. MATTHEWS: No; that is paid out of the House of Commons vote and it is not within the Department of External Affairs estimates.

Item agreed to.

**Item 86. Canadian government's contributions to the United Nations expanded program for technical assistance to under-developed countries, $1,931,250.**

Mr. RICHARD (*Ottawa East*): Would the chairman please give us the title each time he calls an item?

The CHAIRMAN: Very well.

Mr. STINSON: I wonder if the Under Secretary could tell us how this amount compares with the contributions made by other western countries?

Mr. ROBERTSON: Yes. I have a list here. Last year the United States contributed $15,500,000; the United Kingdom, $2,240,000; France, $1,542,000; the U.S.S.R., $1,000,000; the Netherlands, $1,092,000; and the next six largest countries contributed between half a million dollars and $800,000 each.

Mr. STINSON: To what extent does Canada control, through our representatives at the United Nations, or in this particular agency, the manner in which this money is expended?

Mr. ROBERTSON: We share the general control exercised by the Assembly and its appropriate committee, in approving the budget for the coming year and in reviewing the projects to be undertaken.

I speak subject to correction, but I believe ECOSOC also deals with this program, and our representatives is on this committee.

Mr. VIVIAN: It is a contribution which is made to a general program; and on the question of proportionate budgetting, the countries are prepared to do that. I think the feeling has been that this is an excellent way in which to share in a multi-lateral program of work which is always studied by the number of directors involved in this program, and the personnel is drawn from other countries. It is certainly one of the better things that the United Nations does.

Mr. NESBITT: In the preparatory committee no doubt Canada had a very considerable voice.

Mr. ROBERTSON: You mean in preparing this scheme.

Mr. KUCHEREPA: Is there any reason for Canada's contributing just about twice as much as the U.S.S.R.?

Mr. ROBERTSON: I think it would be better to ask the U.S.S.R. why their contribution is only one half that of Canada.

Mr. MONTGOMERY: I suppose Canada gives what she feels she is able to give.

Mr. NESBITT: At these various international conferences, we hear the standard speeches from the U.S.S.R. about the help they give to other countries; but when the time comes, we find that it has been all talk and no action.

On the other hand, Canada, which does not do so much talking, does do something which reflects very well on this country, and the U.S.S.R. gets little actual credit. I think that is becoming increasingly apparent.

Item agreed to.

The CHAIRMAN: I think we shall adjourn now, but before we do so, I have one or two announcements to make.

I have to ask the committee for permission to print this background material tabled by the Under Secretary, as an appendix to today's proceedings, and also detailed comparative statement of the estimates. If it is included

in today's printed proceedings, then you will have an opportunity to study it, and it will be available to everyone. Have I permission to do that?

Agreed.

See appendices A & B.

I want to announce the next meeting which will be on Monday at 10.30 a.m. in Room 238. I am adjourning this meeting a little early today because another committee will be meeting here in a short time and we should allow the staff to clean up the room, in preparation for that meeting.

This meeting stands adjourned until 10.30 on Monday morning.

Mr. RICHARD (*Ottawa East*): What will be the business on Monday?

The CHAIRMAN: We will continue with item 87.

## APPENDIX "A"

### ORGANIZATION AND ADMINISTRATION OF THE DEPARTMENT

Under the authority of the Secretary of State for External Affairs, the Department is administered by the Under-Secretary of State for External Affairs (Deputy Minister), who is assisted by the Deputy Under-Secretary and by four Assistant Under-Secretaries, each of whom is responsible for the activities of specific divisions of the Department. The Department in Ottawa, which is organized into twenty divisions and four smaller units, is responsible for advising the Government on political and economic affairs throughout the world and in international organizations, and for the administration of its posts abroad.[1]

Canada now maintains 63 diplomatic and consular posts abroad, a commissioner's office in The West Indies, and a military mission in Berlin which also performs consular duties.[2] Of the 63 posts, 34 are embassies, nine high commissioners' offices, four legations, three permanent missions to international organizations and thirteen consular offices, including two honorary consulates. In addition, Canada is represented, together with India and Poland, on the International Supervisory Commissions for Cambodia and Vietnam. Delegations consisting of both External Affairs and National Defence personnel are maintained at Phnom Penh in Cambodia and Hanoi and Saigon in Vietnam.

Fifty countries now have diplomatic missions in Canada.[3] Of these, 36 are embassies, seven are high commissioners' offices, and seven are legations. In addition, The West Indies has a commissioner's office, and twelve countries have consular offices but no resident diplomatic missions. During 1958, Burma accredited an Ambassador to Canada, and Austria raised the status of its legation to that of an embassy. Ceylon appointed a resident High Commissioner; the former High Commissioner for Ceylon was also Ambassador to the United States and resided in Washington.

In 1958, 21 Foreign Service Officers 1 were recruited into the Department from among 312 candidates in a competition held in November 1957. Other appointments to the Department during the year numbered 172. 184 resignations were submitted, resulting in a net staff increase of 9.

Following is a comparison of the departmental personnel strength on December 31, 1957, and December 31, 1958:

| | 1957 | 1958 |
|---|---|---|
| Officers | | |
| Ottawa | 174 | 176 |
| Abroad | 209 | 219 |
| Administrative Personnel | | |
| Ottawa | 554 | 527 |
| Abroad | 381 | 405 |
| Local Staff | 477 | 504 |
| Total | 1,795 | 1,831 |

During the year, six heads of post retired from or left the foreign service. These were Mr. J. Désy, Canadian Ambassador to France; Mr. D. S. Cole, Canadian Ambassador to Mexico; Mr. P. Picard, Canadian Ambassador to Argentina; Mr. A. J. Boudreau, Canadian Consul General at Boston; Mr. L. G. Chance,

[1] See Appendix 1: "Organization of the Department at Ottawa".
[2] See Appendix 2: "Canadian Diplomatic and Consular Representation Abroad".
[3] See Appendix 3: "Diplomatic and Consular Representation of Other Countries in Canada".

Canadian Consul General at Los Angeles, and Mr. H. L. Keenleyside, who, for the previous eight years, had served with the United Nations Secretariat as Director General of the Technical Assistance Administration.

In co-operation with the Department of Trade and Commerce, the Inspection Service arranged and carried out further inspection tours of the posts abroad as a continuation of the programme initiated in 1956. During the year teams visited twenty-three posts administered by the two Departments in Latin America, South-East Asia, Australia, New Zealand and Northern Europe.

In 1958 purchases were made of a Chancery and staff accommodation site in New Delhi, an Official Residence in Port-of-Spain, and a strip of land adjacent to the Official Residence in Havana. The construction of the Chancery in Paris was completed and the premises fully occupied. New offices were leased in Kuala Lumpur, Tehran and Bogota, and for the New York Consulate General and the Permanent Delegation to the United Nations in New York. Additional space was leased to augment existing office facilities in Boston, Los Angeles and New Delhi. Leases for office premises were renewed or renegotiated at ten other Posts.

New Official Residences were leased in Kuala Lumpur and Tehran, and Official Residences moved to new locations in Athens, Manila, New Orleans, Warsaw, and in Paris for the North Atlantic Treaty Organization. Leases on Official Residences were renewed or renegotiated at five other Posts.

Staff quarters were leased in Accra—five quarters, Ankara—two quarters, Colombo, Kuala Lumpur, Moscow—three quarters, New Delhi, and Warsaw—two quarters. Leases on several properties already held were renegotiated and/or renewed. The following properties were sold: Dublin—former Residence; Tokyo—staff house; Wellington—Residence building site.

Furnishings schemes, in full or in part, were undertaken at the following; Chanceries: Canadian Consulate General, New York, Permanent Delegation to the United Nations, New York, Kuala Lumpur, Port of Spain, Rome and Paris; Official Residences: Dublin, Boston, Port of Spain, Tehran, Warsaw and Accra; Staff quarters: Kuala Lumpur—two quarters, Ankara—two quarters, Colombo, Bonn, Warsaw, New Delhi, Tokyo and Accra—two quarters.

## APPENDIX 1

### ORGANIZATION OF THE DEPARTMENT AT OTTAWA

Secretary of State for External Affairs
Under-Secretary of State for External Affairs
Deputy Under-Secretary of State for External Affairs
Four Assistant Under-Secretaries of State for External Affairs (one of whom is Legal Adviser)

Twenty Divisions:

- American
- Commonwealth
- Communications
- Consular
- Defence Liaison (1)
- Defence Liaison (2)
- Economic I
- Economic II
- Establishments and Organization
- European
- Far Eastern
- Finance
- Historical
- Information
- Legal
- Middle Eastern
- Personnel
- Protocol
- Supplies and Properties
- United Nations

Independent Units

- Financial Adviser
- Inspection Service
- Political Co-ordination Section
- Press Office

## APPENDIX 2

## CANADIAN DIPLOMATIC AND CONSULAR REPRESENTATION ABROAD[1]

### 1. Diplomatic Missions[2]

| *Country* | *City* | *Nature of Post* |
|---|---|---|
| Argentina | Buenos Aires | Embassy |
| Australia | Canberra | High Commissioner's Office |
| Austria | Vienna | Embassy |
| Belgium | Brussels | Embassy |
| Brazil | Rio de Janeiro | Embassy |
| Ceylon | Colombo | High Commissioner's Office |
| Chile | Santiago | Embassy |
| Colombia | Bogota | Embassy |
| Cuba | Havana | Embassy |
| Czechoslovakia | Prague | Legation |
| Denmark | Copenhagen | Embassy |
| Dominican Republic | Ciudad Trujillo | Embassy |
| Finland | Helsinki | Legation |
| France | Paris | Embassy |
| Germany | Bonn | Embassy[3] |
| Ghana | Accra | High Commissioner's Office |
| Greece | Athens | Embassy |
| Haiti | Port-au-Prince | Embassy |
| India | New Delhi | High Commissioner's Office |
| Indonesia | Djakarta | Embassy |
| Iran | Tehran | Legation |
| Ireland | Dublin | Embassy |
| Israel | Tel Aviv | Embassy |
| Italy | Rome | Embassy |
| Japan | Tokyo | Embassy |
| Lebanon | Beirut | Embassy |
| Malaya | Kuala Lumpur | High Commissioner's Office |
| Mexico | Mexico | Embassy |
| Netherlands | The Hague | Embassy |
| New Zealand | Wellington | High Commissioner's Office |
| Norway | Oslo | Embassy |
| Pakistan | Karachi | High Commissioner's Office |
| Peru | Lima | Embassy |
| Poland | Warsaw | Legation |
| Portugal | Lisbon | Embassy |
| Spain | Madrid | Embassy |
| Sweden | Stockholm | Embassy |

[1] For further information, see the thrice-yearly publication of the Department entitled "Canadian Representatives Abroad and Representatives of Other Countries in Canada".

[2] No diplomatic missions are maintained in Burma, Iceland and Luxembourg, but the High Commissioner for Canada to Malaya is also accredited as Ambassador to Burma, the Ambassador to Norway as Minister to Iceland (where there is a Consulate General in Charge of an honorary officer) and the Ambassador to Belgium as Minister to Luxembourg. The Ambassador to Cuba is also accredited as Ambassador to the Dominican Republic and to Haiti, and the Ambassador to Sweden as Minister to Finland. (There are missions under the direction of Chargés d'Affaires a.i. in the Dominion Republic, Haiti and Finland.)

[3] There is also a mission in Berlin.

| *Country* | *City* | *Nature of Post* |
|---|---|---|
| Switzerland | Berne | Embassy[4] |
| Turkey | Ankara | Embassy |
| Union of South Africa | Pretoria | High Commissioner's Office |
| Union of Soviet Socialist Republics | Moscow | Embassy |
| United Arab Republic | Cairo | Embassy |
| United Kingdom | London | High Commissioner's Office |
| United States of America | Washington | Embassy |
| Uruguay | Montevideo | Embassy |
| Venezuela | Caracas | Embassy |
| Yugoslavia | Belgrade | Embassy |

2. Permanent Missions to International Organizations.

| *Organization* | *City* |
|---|---|
| North Atlantic Council<br>Organization for European Economic Co-operation | Paris |
| United Nations | New York |
| United Nations (European Headquarters) | Geneva |

3. Commissioner's Office

| *Country* | *City* |
|---|---|
| West Indies | Port-of-Spain |

4. Consulates

| *Country* | *City* | *Nature of Post* |
|---|---|---|
| Brazil | Sao Paulo | Consulate |
| Germany | Hamburg | Consulate |
| Iceland | Reykjavik | Consulate General* |
| Philippines | Manila | Consulate General |
| United States of America | Boston | Consulate General |
| | Chicago | Consulate General |
| | Detroit | Consulate |
| | Los Angeles | Consulate General |
| | New Orleans | Consulate General |
| | New York | Consulate General |
| | Portland, Maine | Vice-Consulate* |
| | San Francisco | Consulate General |
| | Seattle | Consulate General |

[4] The Canadian Ambassador to Switzerland is in charge of Canadian interests in Liechtenstein.
* In charge of honorary officers.

## APPENDIX 3

## DIPLOMATIC AND CONSULAR REPRESENTATION OF OTHER COUNTRIES IN CANADA[1]

### 1. Diplomatic Missions[2]

| *Country*[3] | *Nature of Post* |
|---|---|
| *Argentina | Embassy |
| Australia | High Commissioner's Office |
| *Austria | Embassy |
| *Belgium | Embassy |
| *Brazil | Embassy |
| Burma | Embassy |
| Ceylon | High Commissioner's Office |
| *Chile | Embassy |
| *China | Embassy |
| *Colombia | Embassy |
| *Cuba | Embassy |
| *Czechoslovakia | Legation |
| *Denmark | Embassy |
| *Dominican Republic | Embassy |
| *Finland | Legation |
| *France | Embassy |
| *Germany | Embassy |
| *Greece | Embassy |
| *Haiti | Embassy |
| *Iceland | Legation |
| India | High Commissioner's Office |
| Indonesia | Embassy |
| Iran | Legation |
| Ireland | Embassy |
| *Israel | Embassy |
| *Italy | Embassy |
| *Japan | Embassy |
| *Lebanon | Legation |
| *Luxembourg | Legation |
| *Mexico | Embassy |
| *Netherlands | Embassy |
| New Zealand | High Commissioner's Office |
| *Norway | Embassy |
| Paskistan | High Commissioner's Office |
| *Peru | Embassy |
| *Poland | Legation |
| *Portugal | Embassy |
| *Spain | Embassy |
| *Sweden | Embassy |
| *Switzerland | Embassy |
| Tunisia | Embassy |
| Turkey | Embassy |
| Union of South Africa | High Commissioner's Office |
| Union of Soviet Socialist Republics | Embassy |

[1] For further particulars, see the thrice-yearly publication of the Department entitled "Canadian Representatives Abroad and Representatives of Other Countries in Canada" and the quarterly publication "Diplomatic Corps".

[2] The Ambassadors of Burma and Tunisia and the Ministers of Iceland and Luxembourg are also accredited to the United States of America, where they are ordinarily resident.

[3] Those countries marked with an asterisk have consulates in Canada. The Office of the High Commissioner for India has charge of the interests of Nepal; the Legation of Poland of those of Hungary; the Embassy of Switzerland of those of Liechtenstein; and the Embassy of the United Arab Republic of those of Iraq.

| *Country*[3] | *Nature of Post* |
|---|---|
| United Arab Republic | Embassy |
| United Kingdom | High Commissioner's Office |
| *United States of America | Embassy |
| *Uruguay | Embassy |
| *Venezuela | Embassy |
| *Yugoslavia | Embassy |

2. Commissioner's Office

| *Country* | *City* |
|---|---|
| West Indies | Montreal |

3. Countries Having Consulates but No Diplomatic Missions

| | |
|---|---|
| Bolivia | Monaco |
| Costa Rica | Nicaragua |
| Ecuador | Panama |
| Guatemala | Philippines |
| Honduras | Salvador |
| Liberia | Thailand |

## INTERNATIONAL ASSOCIATIONS AND ORGANIZATIONS OF WHICH CANADA IS A MEMBER[1]

COMMONWEALTH OF NATIONS
NORTH ATLANTIC TREATY ORGANIZATION
UNITED NATIONS

- Security Council
- Economic and Social Council
  - Functional Commissions of the Economic and Social Council:
    - Commission on International Commodity Trade
    - Commission on Narcotic Drugs
    - Commission on the Status of Women
    - Population Commission
    - Statistical Commission
  - Executive Committee of the United Nations Refugee Fund
  - United Nations Children's Fund Executive Board
- United Nations Specialized Agencies
  - Food and Agricultural Organization
  - International Atomic Energy Agency[2]
  - International Bank of Reconstruction and Development
  - International Civil Aviation Organization
  - International Labour Organization
  - International Monetary Fund
  - International Telecommunications Union

[1] Intergovernment bodies only are included.

[2] The International Atomic Energy Agency is not technically a Specialized Agency, but it is an autonomous intergovernmental agency under the aegis of the United Nations.

United Nations Specialized Agencies—(*Continued*)

- United Nations Educational, Scientific and Cultural Organization
- Universal Postal Union
- World Health Organization
- World Meteorological Organization

Other United Nations Continuing Bodies

- Advisory Committee for the United Nations Memorial Cemetery in Korea
- Advisory Committee of the United Nations Korean Reconstruction Agency
- Advisory Committee on the Peaceful Uses of Atomic Energy
- Advisory Committee on the United Nations Emergency Force and on the United Nations Observation Group in Lebanon
- Collective Measures Committee
- Committee on Contributions
- Disarmament Commission
- International Finance Corporation[1]
- Negotiating Committee for Extra-Budgetary Funds
- Panel for Inquiry and Conciliation
- Preparatory Committee for the Intergovernmental Maritime Consultative Organization
- Scientific Committee on the Effects of Atomic Radiation

Ad Hoc Bodies

- Ad Hoc Committee on a Special United Nations Fund for Economic Development
- Committee on the Financing of the United Nations Emergency Force

Commonwealth Organizations

- Commonwealth Advisory Aeronautical Research Council
- Commonwealth Advisory Committee on Defence Science
- Commonwealth Agricultural Bureau Executive Council
- Commonwealth Air Transport Council
- Commonwealth Economic Committee
- Commonwealth Forestry Conference
- Commonwealth Liaison Committee
- Commonwealth Scientific Conference
- Commonwealth Shipping Committee
- Commonwealth Telecommunications Board
- Imperial War Graves Commission
- South Pacific Air Transport Command

United States—Canada Organizations

- Canada-United States Ministerial Committee on Joint Defence
- International Boundary Commission
- International Joint Commission
- Joint Committee on Trade and Economic Affairs
- Permanent Joint Board on Defence

Inter-American

- Commissions on Geography and Cartography of the Pan-American Institute of Geography and History
- Inter-American Statistical Institute
- Pan-American Radio Office
- Postal Union of the Americas and Spain

[1] The International Finance Corporation is an affiliate of the International Bank for Reconstruction and Development.

Colombo Plan

- Consultative Committee on Co-operative Economic Development in South and South-East Asia
- Council for Technical Co-operation in South and South-East Asia

Conservational

- Great Lakes Fishery Commission
- International North Pacific Fisheries Commission
- International Northwest Atlantic Fisheries Commission
- International Pacific Halibut Commission
- International Pacific Salmon Fisheries Commission
- International Whaling Commission
- North Pacific Fur Seals Commission

Economic[1]

- Contracting Parties to the General Agreement on Tariffs and Trade
- Customs Co-operation Council
- European Productivity Agency (as associate member)
- Inter-Allied Reparations Agency
- Intergovernmental Committee for European Migration
- International Bureau for the Publication or Customs Tariffs
- International Convention for the Protection of Literary and Artistic Property
- International Cotton Advisory Committee
- International Rubber Study Group
- International Sugar Council
- International Tin Council
- International Union for the Protection of Industrial Property.
- International Wheat Council
- International Wool Study Group
- Organization for European Economic Co-operation (as associate member)
- United Kingdom-Canada Continuing Committee on Trade and Economic Affairs

Scientific

- International Bureau of Weights and Measures
- International Hydrographic Bureau
- International Institute of Refrigeration

[1] See also under previous headings.

## APPENDIX "B"

### MAIN ESTIMATES 1959-60 COMPARED WITH 1958-59

Information material prepared for Members of the 1959 Standing Committee on External Affairs.

This material is in two main parts; viz., comparison of the 1959-60 Estimates with those of 1958-59 with explanations of all substantial changes, and a series of Appendices comparing the 1959-60 Estimates with the estimated expenditures for 1958-59 and the actual expenditures for 1957-58.

### MAIN ESTIMATES 1959-60 COMPARED WITH 1958-59

| No. of Vote | Service | 1959-60 | 1958-59 | Increase | Decrease | No. of Vote |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | |
| | Totals | 80,825,001 | 76,159,733 | 4,665,268 | | |
| (S) | Minister's Salary and Motor Car Allowance | 17,000 | 17,000 | | | (S) |
| | **A—Department and Missions Abroad** | | | | | |
| 76 | Departmental Admin. | 6,319,803 | 5,792,311 | 527,492 | | 76 |
| 77 | Representation Abroad—Operational | 9,606,439 | 8,747,405 | 859,034 | | 77 |
| 78 | Representation Abroad—Capital | 1,565,405 | 1,412,688 | 152,717 | | 78 |
| 79 | Official Hospitality | 40,000 | 40,000 | | | 79 |
| 80 | Relief and Repatriation of Distressed Canadians | 15,000 | 15,000 | | | 80 |
| 81 | Representation at International Conferences | 243,000 | 243,000 | | | 81 |
| 82 | Grant to U.N. Association in Canada | 11,000 | 11,000 | | | 82 |
| 83 | Grant to Int. Red Cross | 15,000 | 15,000 | | | 83 |
| 84 | Grant to Can. Atl. Co-ord. Committee | 2,500 | 2,500 | | | 84 |
| | Appropriation not required for 1959-60 | | 42,700 | | 42,700 | |
| | A—Sub-total | 17,818,147 | 16,321,604 | 1,496,543 | | |
| | A—Total Department and Mission Abroad | 17,835,147 | 16,338,604 | 1,496,543 | | |
| | **B—General** | | | | | |
| 85 | Assessment in Int. Organizations | 3,838,519 | 2,549,055 | 289,464 | | 85 |
| 86 | U.N. Exp. Prog. for Tech. Assist. | 1,931,250 | 1,976,875 | | 45,625 | 86 |
| 87 | U.N. Tech. Assist. Training Center Univ. of B.C. | 10,000 | | 10,000 | | 87 |
| 88 | U.N. Special Fund | 1,931,250 | | 1,931,250 | | 88 |
| 89 | U.N. Children's Fund | 650,000 | 650,000 | | | 89 |
| | B—Sub-total | 8,361,019 | 6,175,930 | 2,185,089 | | |
| 90 | NATO Staff Assignment | 60,245 | 51,109 | 9,136 | | 90 |
| 91 | NATO Science Fellowships | 42,545 | | 42,545 | | 91 |
| 92 | NATO Headquarters Bldg. | 124,420 | 286,247 | | 161,827 | 92 |
| | B—Sub-total | 227,210 | 337,356 | | 110,146 | |

| No. of Vote | Service | 1959–60 | 1958–59 | Increase | Decrease | No. of Vote |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | |
| 93 | ICAO Rental Assistance | 214,594 | 214,971 | ..... | 377 | 93 |
| 94 | ICAO Income Tax Assist. | 9,000 | 7,500 | 1,500 | ..... | 94 |
| | B—Sub-total | 223,594 | 222,471 | 1,123 | ..... | |
| (S) | Annuity to Mrs. H. Y. Roy | 1,667 | 1,667 | ..... | ..... | (S) |
| 95 | Pension Miss H. L. Waddell | 412 | ..... | 412 | ..... | 95 |
| (S) | Diplomatic Service (Special) Superannuation Act | 39,333 | ..... | 39,933 | ..... | (S) |
| | B—Sub-total | 42,012 | 1,667 | 40,345 | ..... | |
| 96 | I.J.C. Salaries & Expenses | 112,124 | 111,048 | 1,076 | ..... | 96 |
| 97 | I.J.C. Studies & Surveys | 116,110 | 244,950 | ..... | 128,840 | 97 |
| | B—Sub-total | 228,234 | 355,998 | ..... | 127,764 | |
| 98 | Colombo Plan | 50,000,000 | 35,000,000 | 15,000,000 | ..... | 98 |
| 99 | Assessment for Membership in I.C.E.M. | 226,801 | 258,218 | ..... | 31,417 | 99 |
| 100 | Grant to U.N. Refugee Fund | 290,000 | 200,000 | 90,000 | ..... | 100 |
| 101 | Canadian Participation—European Productivity Agency—O.E.E.C. | 20,000 | 20,000 | ..... | ..... | 101 |
| 102 | Grant to UNRWA Near East | 500,000 | 500,000 | ..... | ..... | 102 |
| 103 | International Commissions Indo-China | 270,984 | 389,489 | ..... | 118,505 | 103 |
| 104 | Technical Assist to Comm. Countries other than those covered in Colombo Plan or West Indies Assist. Prog. | 500,000 | 135,000 | 365,000 | ..... | 104 |
| 105 | West Indies Assistance Programme. | 2,100,000 | 1,475,000 | 625,000 | ..... | 105 |
| | Appropriations not required for 1959–60 | ..... | 14,750,000 | ..... | 14,750,000 | |
| | B—Sub-total | 53,907,785 | 52,727,707 | 1,180,078 | ..... | |
| | B—Total, General | 62,989,854 | 59,821,129 | 3,168,725 | ..... | |

SUMMARY

| | | | | |
|---|---|---|---|---|
| To be voted | 80,766,401 | 76,141,066 | 4,625,335 | ..... |
| Authorized by Statute | 58,600 | 18,667 | 39,933 | ..... |
| Total Estimates | 80,825,001 | 76,159,733 | 4,665,268 | ..... |

REFERENCES—

76—DEPARTMENTAL ADMINISTRATION—INCREASE $527,492

| | | Increase $ | Decrease $ |
|---|---|---|---|
| (1) | Salaries | 403,548 | — |
| (4) | Professional and Special Services | — | 34,000 |
| (5) | Courier Service | 124,000 | — |
| (5) | Removal and Home Leave Expenses | 270,500 | — |
| (5) | Other Travelling Expenses | 5,000 | — |
| (6) | Freight, Express and Cartage | 1,500 | — |
| (7) | Postage | — | 10,000 |
| (8) | Carriage of Diplomatic Mail | — | 159,000 |
| (8) | Telephones, Telegrams and Other Communication Services | — | 24,063 |
| (9) | Publication of Departmental Reports and Other Material | — | 27,700 |
| (10) | Displays, Films and Other Informational Publicity | — | 2,400 |
| (11) | Office Stationery, Supplies and Equipment | 23,707 | — |
| (12) | Purchase of Publications for Distribution | — | 5,500 |
| (12) | Materials and Supplies | 5,100 | — |
| (16) | Acquisition of Equipment | — | 50,100 |
| (17) | Repairs and Upkeep of Equipment | — | — |
| (19) | Taxes on Diplomatic Properties in Ottawa Area | 6,900 | — |
| (22) | Compensation to Employees for Loss of Effects | — | 5,000 |
| (22) | Sundries | 5,000 | — |
| | Total Increase | 527,492 | |

*76—(1) Salaries—Increase $403,548*

This increase is due to the addition of 29 positions to the present establishment and to annual salary increments. A substantial portion of the increase, however, arises from an over-estimation of the anticipated savings due to staff turnover; $320,000 in 1958-59 as compared with $128,600 in 1959-60.

*76—(4) Professional and Special Services—Decrease $34,000*

The decrease here is due mainly to the fact that we have not this year, as last, provided for legal fees concerning the International Arbitration Tribunal re Gut Dam claims.

*76—(5) Courier Service—Increase $124,000*

This increase is offset by a saving of $159,000 in Carriage of Diplomatic Mail formerly handled by commercial airlines.

*76—(5) Removal and Home Leave Expenses—Increase $270,500*

The increase is due to an increase in the number of personnel scheduled to be moved, and to underestimating our expenditures for 1958-59.

*76—(7) Postage—Decrease $10,000*

This decrease is accounted for by a new procedure of not registering passports despatched by the Passport Office.

*76—(8) Carriage of Diplomatic Mail—Decrease $159,000*

This decrease is due to the re-organization of procedures in the Carriage of Diplomatic Mail and Courier Service. Some carriage of mail by safe hand of pilot has been discontinued and is now carried by our couriers at a considerable saving.

*76—(8) Telephones, Telegrams and Other Communication Services—Decrease $24,063*

The main reason for this decrease is the enlargement of Telex service and the routing of telegrams through our major communication centres abroad by this means for re-transmission at lower commercial rates.

*76—(9) Publication of Departmental Reports and Other Material—Decrease $27,700*

This decrease is due mainly to smaller editions of "Canada Pictorial", 275,000 copies, and "Canada from Sea to Sea", 125,000, as compared with 800,000 and 300,000 copies respectively in 1958-59.

*76—(11) Office Stationery, Supplies and Equipment—Increase $23,707*

This arises from a normal increase in the volume of business, higher printing costs and purchase and replacement of a larger amount of typewriters and office equipment.

*76—(16) Acquisition of Equipment—Decrease $50,100*

In the programme to equip adequately our Communication Centre in Ottawa, the major amount of units required were purchased during the last two fiscal years. The amount requested this year is to complete the programme.

*77—Representation Abroad—Operational—Increase $859,034*

| | *Increase* $ | *Decrease* $ |
|---|---|---|
| (1) Salaries | 458,890 | — |
| (1) Overtime | — | 18,300 |
| (2) Allowances | 371,669 | — |
| (4) Professional and Special Services | — | 23,585 |
| (5) Travelling Expenses | 3,200 | — |
| (6) Freight, Express and Cartage | 24,655 | — |
| (7) Postage | — | — |
| (8) Telephones, Telegrams and Other Communication Services | 35,999 | — |
| (11) Office Stationery, Supplies and Repairs to Office Equipment | 30,885 | — |
| (12) Fuel for Heating and Other Materials and Supplies | 15,770 | — |
| (14) Repairs and Upkeep of Buildings and Works | — | 54,565 |
| (15) Rentals of Land, Buildings and Works | — | 430 |
| (17) Repairs and Upkeep of Equipment | — | — |
| (18) Rental of Equipment | — | 1,750 |
| (19) Municipal and Public Utility Services | 13,095 | — |
| (21) Benefits in Consideration of Personal Services | 4,760 | — |
| (22) Sundries | — | 1,259 |
| Total Increase | 859,034 | |

*77—(1) Salaries—Increase $458,890*

This increase is chiefly due to an over-estimation in the current year of the anticipated savings due to staff turn-over which is $300,000 in the current year as compared with $50,000 in 1959-60. The actual increase, therefore, is $190,590 which is the result of an additional 34 positions and salary increments. The positions are for new establishments at Tehran, Port of Spain and Kuala Lumpur.

*77—(2) Allowances—Increase $371,669*

This increase results from the increase in the establishment and to higher costs of living abroad.

*77—(4) Professional and Special Services—Decrease $23,585*

The decrease here is due to our reduced requirement in "Other Professional Services".

*77—(6) Freight, Express and Cartage—Increase $24,655*

The main reason for this increase is our under-estimation of requirements for 1958-59. The present estimate is based on the current pattern of expenditures.

*77—(8) Telephones, Telegrams and Other Communication Services—Increase $35,999*

This increase reflects the rise in telephone rates in some countries as well as additional costs through the opening of new offices in Iran, Malaya and West Indies. A major proportion of the increase is for larger volume of telegram traffic.

*77—(11) Office Stationery, Supplies and Repairs to Office Equipment—Increase $30,885*

This increase is due to the operating of 64 Posts abroad as compared to 61 in 1958-59, and additional requirements for security equipment.

*77—(12) Fuel for Heating and Other Materials and Supplies—Increase $15,770*

Increase for this primary reflect the expansion of various offices and activities of the Department throughout the world as well as the rising costs of commodities at certain of our Posts.

*77—(14) Repairs and Upkeep of Buildings and Works—Decrease $54,565*

The decrease results, in large part, from the completion of the alterations to our New York offices during 1958-59.

*77—(18) Rental of Equipment—Decrease $1750*

This decrease results mainly from arrangements in India whereby we have been able to place some of our staff members in quarters with long-term leases, so making the installation of Government-owned equipment possible.

*77—(19) Municipal and Public Utility Services—Increase $13,095*

The increase results from increases in utility rates, larger accommodations at some posts, and the opening of three posts not previously provided for.

*77—(21) Benefits in Consideration of Personal Services—Increase $4,760*

This increase is due to some raises in local staff salaries, resulting in higher social security contributions and to additions in locally-engaged staff.

78—REPRESENTATION ABROAD—CAPITAL—INCREASE $152,717

| | | Increase $ | Decrease $ |
|---|---|---|---|
| (11) | Office Furnishings and Equipment | — | 9,188 |
| (13) | Acquisition, Construction and Improvement of Properties for Offices and Residences Abroad, including Land | 76,950 | — |
| (16) | Acquisition of Teletype Equipment | 48,140 | — |
| (16) | Furniture and Furnishings for Residences Abroad | — | — |
| (16) | Procurement of Motor Vehicles and Other Equipment | 31,900 | — |
| (16) | Basic Household Equipment and Furnishings for Staff Abroad | 4,915 | — |
| | Total Increase | 152,717 | |

*78—(11) Office Furnishings and Equipment—Decrease $9,188*

The amount in this primary is to meet a normal programme of replacements for worn-out items of furnishings and equipment.

*78—(13) Acquisition, Construction and Improvement of Properties for Offices and Residences Abroad including Land—Increase $76,950*

This increase is due mainly to construction and improvement to chanceries and residences at a number of posts.

*78—(16) Acquisition of Teletype Equipment—Increase $48,140*

This increase is caused mainly by the installation of machine cypher facilities at three of the busiest posts not yet mechanized, and provision for allocation of 2 miniaturized cypher units for each of five posts considered to be handling an excess volume of book cypher work.

*78—(16) Procurement of Motor Vehicles and Other Equipment—Increase $31,900*

This increase results from replacement of 34 vehicles and purchase of 8 vehicles during the coming fiscal year.

85—ASSESSMENT FOR MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS—INCREASE $289,464

| | Increase $ | Decrease $ |
|---|---|---|
| United Nations Organization | — | 3,855 |
| Food and Agriculture Organization | 25,594 | — |
| International Labour Organization | 25,650 | — |
| U.N.E.S.C.O. | 56,934 | — |
| International Civil Aviation Organization | 41,462 | — |
| World Health Organization | 20,631 | — |
| International Atomic Energy Agency | 32,439 | — |
| Commonwealth Economic Committee | — | 774 |
| Commonwealth Shipping Committee | — | 24 |
| North Atlantic Treaty Organization (Cost of Civil Administration) | 89,652 | — |
| General Agreement on Tariffs and Trade | 1,755 | — |
| Total Increase | 289,464 | |

*Food and Agriculture Organization—Increase $25,594*

This increase reflects an expected increase of 10% in the F.A.O. budget for 1959.

*International Labour Organization—Increase $25,650*

As no information is yet available on the 1960 budget for I.L.O. the estimates is established on the basis of Canada's gross assessment to the 1959 budget.

*U.N.E.S.C.O.—Increase $56,934*

This increase reflects an augmentation in UNESCO's budget for 1960.

*International Civil Aviation Organization—Increase $41,462*

This increase is based on the 1959 budget of the I.C.A.O. plus an anticipated increase of 10% in the 1960 budget.

*World Health Organization—Increase $20,631*

This item also reflects an anticipated increase in the 1960 budget of W.H.O.

*International Atomic Energy Agency—Increase $32,439*

Since Canadian assessment to the Agency's Administrative Budget for 1960 has not yet been fixed, we have established the estimated assessment in an amount equal to our actual 1959 contribution.

*North Atlantic Treaty Organization—Increase $89,652*

This increase arises from the past expenditure trends of the NATO Secretariat and the current and capital expenditures required for the operation of the NATO Civil Headquarters during the Canadian fiscal year 1959-60.

*86—U.N. Expanded Programme for Technical Assistance to Under-Developed Countries—Decrease $45,625*

This decrease is due entirely to a more favourable rate of exchange. Our contribution to this programme has been kept at $2,000,000 U.S. for the past 3 years.

*87—U.N. Technical Assistance Administration Training Center at the University of British Columbia—Increase $10,000*

This is a new item. The Director General of the U.N.T.A.A. has proposed that Canada cooperate with the University of British Columbia and UNTAA in the establishment of a U.N. Regional Training and Recruitment Centre at the University of British Columbia. This Centre would have two major functions—to give continuing guidance and arrange training programmes for such technical assistance trainees as might be assigned to the centre by UNTAA and to assist in the recruitment of experts for the U.N. Technical Assistance Programme. It is estimated that UNTAA will contribute $28,000 annually to the Centre. On recommendation of the Secretary of State for External Affairs, Cabinet approved a special annual grant of $10,000 to the U.N. as Canada's contribution to this Centre for the fiscal years 1959-60, 1960-61, 1961-62.

*88—U.N. Special Fund—Increase $1,931,250*

This is a new item. The U.N. Special Fund is designed to assist projects in the fields of resource surveys, technical training, demonstration, education, public administration, etc. The fund will concentrate on relatively large projects so as to avoid undue dispersion of its resources. Cabinet decided on September 30, subject to the approval of Parliament, that Canada would contribute $2,000,000 U.S. for 1959-60.

*90—N.A.T.O. Staff Assignment—Increase $9,136*

The increase here is caused by the addition of two assignees during the fiscal year 1959-60.

*91—N. A. T. O. Science Fellowships—Increase $42,545*

This is a new item. NATO council has now received and agreed in principle to the Science Committee's recommendations regarding the Fellowships and the Studies Institutes programmes. The total cost of the programmes will be as follows:

Fellowships—$1,000,000 in the first year increasing by this amount in each of the next three years.

Studies Institutes—$150,000 in the first year increasing by $50,000 per year until a figure of $500,000 is reached.

Financial implications of these programmes for Canada are $38,300 for Fellowships and $5,760 for Studies Institutes, making a total of $44,060 U.S.

*92—N.A.T.O. Headquarters Buildings—Decrease $161,827*

It was expected that the entire project for NATO Headquarters Building would be completed in 1958. However progress during the year was somewhat slower than anticipated and October 1959 has now been set as the possible date of completion.

*94—I.C.A.O. Quebec Income Tax—Increase $1,500*

This increase is based on known expenditures for 1958-59.

*95—Pension to Miss Hilda L. Waddell—Increase $412*

This is a new item. Payment of a pension in the amount of 60,000 Brazilian Cruzeiros per annum to Hilda L. Waddell, a former locally-engaged employee, has been authorized by Treasury Board.

*96—I.J.C.—Salaries and Expenses—Increase $1,076*

| | | Increase $ | Decrease $ |
|---|---|---|---|
| (1) | Salaries | 1,876 | — |
| (4) | Reporters' Fees | — | — |
| (5) | Travelling Expenses | — | 800 |
| (7) | Postage | — | — |
| (8) | Telephones and Telegrams | — | — |
| (10) | Advertising of Public Hearings | — | — |
| (11) | Office Stationery, Supplies and Equipment | — | — |
| (22) | Sundries | — | — |
| | Total Increase | 1,076 | |

*97—I.J.C.—Studies, Surveys and Investigations—Decrease $128,840*

| | Increase $ | Decrease $ |
|---|---|---|
| Canada's share of an Investigation on the matter of air pollution in the vicinity of Detroit-Windsor | — | 7,090 |
| Studies and Surveys of the Mid-Western Watershed | — | 2,090 |
| Canada's share of the expenses of the International St. Lawrence River Board of Control | — | — |
| Canada's share of the expenses of the St. John River Reference | — | — |
| Canada's share of the expenses of the St. Croix River Reference | — | — |
| Canada's share of the expenses of the proposed Alaska-Yukon River Reference | — | — |
| Canada's share of the expenses of the Passamaquoddy Tidal Power Reference | — | 119,750 |
| Canada's share of the expenses of the Publication of a Report on Water Pollution | — | — |
| Total Decrease | | 128,840 |

*Canada's share of an Investigation on the Matter of Air Pollution in the vicinity of Detroit-Windsor—Decrease $7,090*

Reduction in staff has been carried out in conformity with the need for technical assistance.

*Studies and Surveys of the Mid-Western Watershed—Decrease $2,000*

This decrease is due mainly to the question of the equitable apportionment of the waters of the Souris River being shelved temporarily.

*Canada's Share of the Expenses of the Passamaquoddy Tidal Power Reference—Decrease $119,750*

The Engineering and Fisheries Board plan to complete their studies by November 1959 and the bulk of their work has now been completed. This accounts for the sizeable decrease in this item.

*98—Payment to Colombo Plan Fund—Increase $15,000,000*

This increase was approved by Cabinet in September 1958, increasing Canada's contribution from $35,000,000 to $50,000,000 for the next three years.

*99—Assessment for Membership in I.C.E.M.—Decrease $31,417*

This reflects a decrease in the operational budget of the Organization.

*100—Grant to the U.N. Refugee Fund—Increase $90,000*

This increase is due to the decision of the U.N. High Commissioner for Refugees to implement a Camp Clearance Programme in 1959.

*103—Participation in the International Commissions for Supervision and Control in Indo-China—Decrease $118,505*

| | | Increase $ | Decrease $ |
|---|---|---|---|
| (1) | Salaries | — | 41,050 |
| (2) | Allowances | — | 27,380 |
| (4) | Professional and Special Services | — | — |
| (5) | Courier Service | — | — |
| (5) | Travelling Expenses | — | 25,000 |
| (6) | Freight, Express and Cartage | — | 1,000 |
| (7) | Postage | — | 25 |
| (8) | Telephones, Telegrams and Other Communication Services | — | 20,000 |
| (11) | Office Stationery, Supplies and Equipment | — | 2,500 |
| (12) | Materials and Supplies | — | 500 |
| (19) | Municipal and Public Utility Services | — | 50 |
| (22) | Sundries | — | 1,000 |
| | Total Decrease | | 118,505 |

*103—(1) Salaries—Decrease $41,050*

This is caused by a reduction of 14 positions in the establishment.

*103—(2) Allowances—Decrease $27,380*

This is also due to a reduction in the establishment.

*103—(5) Travelling Expenses—Decrease $25,000*

This decrease results from a reduction of personnel being posted to Indo-China.

*103(6) Freight, Express and Cartage—Decrease $1,000*

This decrease is made possible by a reduction in staff.

*103—(8) Telephones, Telegrams and Other Communication Services—Decrease $20,000*

The telegraphic traffic for Indo-China has continued to show a decrease for the last year.

*103—(11) Office Stationery, Supplies and Equipment—Decrease $2,500*

A decrease here is also due to staff reductions.

*103—(12) Materials and Supplies—Decrease $500*

A reduction in the establishment also makes this decrease possible.

*103—(22) Sundries—Decrease $1,000*

This decrease follows our pattern of expenditures for Indo-China.

*104—Technical Assistance to Commonwealth Countries Other than those Covered by the Colombo Plan or West Indies Assistance Programme—Increase $365,000*

On September 7, 1958, Cabinet decided to extend the Canadian technical assistance programme to include areas of the Commonwealth not covered by the Colombo Plan or the West Indies aid programme.

*105—West Indies Assistance Programme—Increase $625,000*

As it is now planned to proceed simultaneously with the construction of two ships during 1959-60 it is estimated that progress payments of $975,000 per ship, for a total of $1.95 million will be required, leaving the balance to accommodate a reasonable technical assistance programme and make provision for a modest start on other capital projects.

| Appropriations not required for 1959-60 | 1959-60 $ | 1958-59 $ | Increase $ | Decrease $ |
|---|---|---|---|---|
| To authorize and provide for fellowships and scholarships .... | — | 42,700 | — | 42,700 |
| To provide for the purchase of wheat and flour to be given to India, Pakistan and Ceylon to relieve food shortages ..... | — | 13,000,000 | — | 13,000,000 |
| To provide for the purchase of flour to be given to the UNRWA for Palestine Refugees in the Near East ..... | — | 1,500,000 | — | 1,500,000 |
| To provide for a contribution to the 1958 Fellowship Fund of the International Atomic Energy Agency ..... | — | 25,000 | — | 25,000 |
| To provide for the expenses of the Commonwealth Trade and Economic Conference ..... | — | 225,000 | — | 225,000 |
| Total Decrease | | | | 14,792,700 |

The following sheets contain the detailed comparative statements as follows:—

Appendix "1"—Comparison by Votes

Appendix "2"—Departmental Administration
Comparison by Primaries and Objects

Appendix "3"—Representation Abroad—Operational Expenses
Comparison by Primaries

Appendix "4"—Canadian Government's Assessment for Membership in International Organizations

APPENDIX 1

## DEPARTMENT OF EXTERNAL AFFAIRS

### Comparison by Votes

| Vote No. | | 1959–60 Main Estimates | 1958–59 Estimated Expenditures | 1958–59 Estimates | 1957–58 Expenditures |
|---|---|---|---|---|---|
| (S) | Secretary of State for External Affairs—Salary and Motor Car Allowance..... | 17,000 | 17,000 | 17,000 | 13,128 |
| | A—Department and Missions Abroad | | | | |
| 76 | Departmental Administration..... | 6,319,803 | 5,922,000 | 5,792,311 | 5,157,597 |
| 77 | Representation Abroad—Operational... | 9,606,439 | 8,854,126 | 8,747,405 | 8,036,575 |
| 78 | Representation Abroad—Capital..... | 1,565,405 | 1,042,638 | 1,412,688 | 1,244,097 |
| 79 | To provide for Official Hospitality..... | 40,000 | 40,000 | 40,000 | 37,087 |
| 80 | To provide for Relief and Repatriation of Distressed Canadian Citizens abroad etc. (Part Recoverable)..... | 15,000 | 5,200 | 15,000 | 8,264 |
| 81 | Canadian Representation at International Conferences..... | 243,000 | 306,000 | 243,000 | 227,930 |
| 82 | Grant to the United Nations Association in Canada..... | 11,000 | 11,000 | 11,000 | 11,000 |
| 83 | Grant to the International Committee of the Red Cross..... | 15,000 | 15,000 | 15,000 | 15,000 |
| 84 | Grant to the Canadian Atlantic Coordinating Committee..... | 2,500 | 2,500 | 2,500 | 2,500 |
| | Appropriation not required for 1959–60... | ..... | 42,700 | 42,700 | 112,529 |
| | | 17,818,147 | 16,241,164 | 16,321,604 | 14,852,579 |
| | Total, A—Department and Missions Abroad..... | 17,835,147 | 16,258,164 | 16,338,604 | 14,865,707 |
| | B—General | | | | |
| 85 | To Provide for the Canadian Government's Assessment for Membership in International (including Commonwealth) Organizations..... | 3,838,519 | 3,775,678 | 3,549,055 | 3,226,545 |
| 86 | To Provide for a Contribution to the United Nations Expanded Programme for Technical Assistance..... | 1,931,250 | 1,947,500 | 1,976,875 | 1,933,491 |
| 87 | United Nations Technical Assistance Administration Training Center at University of British Columbia..... | 10,000 | | | |
| 88 | United Nations Special Fund..... | 1,931,250 | | | |
| 89 | Contribution to the United Nations Children's Fund..... | 650,000 | 650,000 | 650,000 | 650,000 |
| | | 8,361,019 | 6,373,178 | 6,175,930 | 5,810,036 |

APPENDIX 1 —*(Continued)*

DEPARTMENT OF EXTERNAL AFFAIRS—*Continued*

COMPARISON BY VOTES—*Continued*

| Vote No. | | 1959–60 Main Estimates | 1958–59 Estimated Expenditures | 1958–59 Estimates | 1957–58 Expenditures |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| 90 | To provide for Special Administrative Expenses, including Payment of Remuneration, in connection with Canadians on N.A.T.O. Strength..... | 60,245 | 50,081 | 51,109 | 27,936 |
| 91 | Canadian Government's Contribution to the NATO's Science Fellowships and Advanced Studies Institutes Programmes..... | 42,545 | | | |
| 92 | To Provide for a Further Contribution towards the cost of constructing the NATO Permanent Headquarters.... | 124,420 | 146,532 | 286,247 | 140,807 |
| | | 227,210 | 196,613 | 337,356 | 168,743 |
| 93 | To Provide I.C.A.O. with Office Accommodation..... | 214,594 | 214,971 | 214,971 | 208,034 |
| 94 | To Provide for a payment to I.C.A.O. in part reimbursement of compensation paid to its Canadian Employees for Quebec Income Tax for the 1958 taxation year..... | 9,000 | 8,559 | 7,500 | 7,500 |
| | | 223,594 | 223,530 | 222,471 | 215,534 |
| | PENSIONS AND OTHER BENEFITS | | | | |
| (S) | Annuity to Mrs. Helen Young Roy..... | 1,667 | 1,667 | 1,667 | 1,667 |
| 95 | Pension to Miss H. L. Waddell..... | 412 | 175 | | |
| (S) | Diplomatic Service (Special) Superannuation Act..... | 39,933 | | | |
| | | 42,012 | 1,842 | 1,667 | 1,667 |
| | INTERNATIONAL JOINT COMMISSION | | | | |
| 96 | Salaries and Expenses of the Commission | 112,124 | 109,648 | 111,048 | 102,985 |
| 97 | To Provide for Canada's share of the Expenses of Studies Surveys and Investigations of the I.J.C..... | 116,110 | 213,500 | 244,950 | 152,214 |
| | Total—International Joint Commission. | 228,234 | 323,148 | 355,998 | 255,199 |

APPENDIX 1—(*Concluded*)

DEPARTMENT OF EXTERNAL AFFAIRS—*Continued*

COMPARISON BY VOTES—*Concluded*

| Vote No. | | 1959–60 Main Estimates | 1958–59 Estimated Expenditures | 1958–59 Estimates | 1957–58 Expenditures |
|---|---|---|---|---|---|
| | TERMINABLE SERVICES | | | | |
| 98 | Colombo Plan | 50,000,000 | 35,000,000 | 35,000,000 | 34,400,000 |
| 99 | Assessment for Membership in the Inter-Governmental Committee for European Migration | 226,801 | 248,717 | 258,218 | 202,996 |
| 100 | To Provide for a Grant to the United Nations Refugee Fund | 290,000 | 200,000 | 200,000 | 200,000 |
| 101 | Canadian participation in the work of the European Productivity Agency of the Organization for European Economic Co-operation | 20,000 | 11,070 | 20,000 | 17,700 |
| 102 | Contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East | 500,000 | 500,000 | 500,000 | 750,000 |
| 103 | To Provide for the Cost of Canada's Participation as a Member of the International Commissions for Supervision and Control in Indo-China | 270,984 | 282,291 | 389,489 | 353,814 |
| 104 | To Provide Technical Assistance to Commonwealth Countries other than those covered by the Colombo Plan or West Indies Assistance Programme | 500,000 | 39,000 | 135,000 | |
| 105 | West Indies Assistance Programme | 2,100,000 | 116,000 | 1,475,000 | 4,034 |
| | Appropriations not required in 1959–60 | ..... | 14,748,948 | 14,750,000 | 2,934,970 |
| | Total Terminable Services | 53,907,785 | 51,146,026 | 52,727,707 | 38,863,514 |
| | Total B—General | 62,989,854 | 58,264,337 | 59,821,129 | 45,314,693 |
| | SUMMARY I | | | | |
| | Total—A—Department and Missions Abroad | 17,835,147 | 16,258,164 | 16,338,604 | 14,865,707 |
| | Total—B—General | 62,989,854 | 58,264,337 | 59,821,129 | 45,314,693 |
| | GRAND TOTAL | 80,825,001 | 74,522,501 | 76,159,733 | 60,180,400 |
| | SUMMARY II | | | | |
| | To be Voted | 80,766,401 | 74,503,834 | 76,141,066 | 60,165,605 |
| | Authorized by Statute | 58,600 | 18,667 | 18,667 | 14,795 |
| | | 80,825,001 | 74,522,501 | 76,159,733 | 60,180,400 |

APPENDIX "2" VOTE 76

## DEPARTMENTAL ADMINISTRATION

COMPARISONS BY PRIMARIES AND OBJECTS

| | Primary | 1959–60 Main Estimates | 1958–59 Estimated Expenditures | 1958–59 Estimates | 1957–58 Expenditures |
|---|---|---|---|---|---|
| *Salaries* (1) | | | | | |
| Permanent Positions | | 3,518,096 | 3,025,000 | 3,305,948 | 2,879,840 |
| Less—Positions which will probably be vacant due to staff turnover | | 128,600 | ..... | 320,000 | ..... |
| TOTAL | (1) | 3,389,496 | 3,025,000 | 2,985,948 | 2,879,840 |
| *Allowances* (2) | | | | | |
| Allowances | (2) | ..... | ..... | ..... | 583 |
| *Professional and Special Services* (4) | | | | | |
| Legal Services | | ..... | ..... | 30,000 | 2,030 |
| Press News Services | | 2,400 | 2,400 | 2,400 | 2,312 |
| Other Professional and Special Services | | 9,000 | 5,600 | 13,000 | 6,479 |
| Tuition and Examination Fees (Languages) | | 2,000 | 1,000 | 2,000 | 1,415 |
| TOTAL | (4) | 13,400 | 9,000 | 47,400 | 12,236 |
| *Travelling and Removal Expenses* (5) | | | | | |
| Travelling Expenses and Transportation Costs | | 65,000 | 64,500 | 60,000 | 49,468 |
| Removal and Home Leave Expenses | | 850,500 | 695,000 | 580,000 | 683,419 |
| Courier Service | | 230,000 | 140,000 | 106,000 | 46,228 |
| Local Transportation Costs | | ..... | 500 | ..... | 556 |
| TOTAL | (5) | 1,145,500 | 900,000 | 746,000 | 779,671 |
| *Freight, Express and Cartage* (6) | | | | | |
| Freight, Express and Cartage | (6) | 16,500 | 10,900 | 15,000 | 14,258 |
| *Postage* (7) | | | | | |
| Postage | (7) | 75,000 | 71,000 | 85,000 | 76,444 |
| *Telephones, Telegrams and Other Communication Services* (8) | | | | | |
| Telephones | | 7,000 | 11,987 | 7,000 | 7,003 |
| Telegrams, Cables and Wireless | | 165,000 | 179,000 | 175,000 | 177,949 |
| Rental of Teletype Equipment | | 214,940 | 261,440 | 255,440 | 96,732 |
| Carriage of Diplomatic Mail | | 60,000 | 179,000 | 219,000 | 166,705 |
| Grant to N.R.C. | | 443,310 | 416,873 | 416,873 | 335,152 |
| TOTAL | (8) | 890,250 | 1,048,300 | 1,073,313 | 783,541 |

APPENDIX 2 VOTE 76—(*Continued*)

DEPARTMENTAL ADMINISTRATION

COMPARISON BY PRIMARIES AND OBJECTS

| | Primary | 1959–60 Main Estimates | 1958–59 Estimated Expenditures | 1958–59 Estimates | 1957–58 Expenditures |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| *Publication of Departmental Reports and Other Material* (9) | | | | | |
| "External Affairs" Monthly Bulletin | | 28,000 | 28,000 | 28,000 | 25,285 |
| Canada Leaflet and Canada from Sea to Sea | | 25,000 | 60,000 | 40,500 | 603 |
| Treaty Series | | 12,000 | 9,000 | 4,000 | 6,537 |
| Other Publications | | 67,000 | 78,000 | 87,200 | 50,524 |
| TOTAL | (9) | 132,000 | 175,000 | 159,700 | 82,949 |
| *Displays, Films and Other Informational Material* (10) | | | | | |
| Photographs | | 20,000 | 19,600 | 20,100 | 26,957 |
| Other Informational Material | | 36,900 | 35,200 | 39,200 | 18,888 |
| TOTAL | (10) | 56,900 | 54,800 | 59,300 | 45,845 |
| *Office Stationery, Supplies and Equipment* (11) | | | | | |
| Printing Office Forms, etc | | 129,742 | 141,907 | 113,250 | 62,320 |
| Stationery, Office Supplies | | 92,000 | 76,797 | 90,000 | 66,666 |
| Purchase of Office Equipment and Appliances | | 14,665 | 8,296 | 9,450 | 11,535 |
| Subscriptions to Newspapers | | 7,500 | 7,000 | 7,000 | 7,016 |
| Library Purchases | | 8,650 | 8,800 | 8,800 | 6,225 |
| Microfilming | | 5,000 | 6,000 | 5,350 | 3,318 |
| TOTAL | (11) | 257,557 | 248,800 | 233,850 | 157,080 |
| *Materials and Supplies* (12) | | | | | |
| Gas and Oil for Motor Vehicles | | 600 | 600 | 600 | 616 |
| Publications for Distribution | | 30,500 | 30,200 | 36,000 | 25,563 |
| Other Materials and Supplies | | 25,000 | 19,900 | 19,900 | 17,860 |
| TOTAL | (12) | 56,100 | 50,700 | 56,500 | 44,039 |
| *Acquisition of Equipment* (16) | | | | | |
| Motor Vehicles | | 2,300 | | | |
| Teletype Equipment | | 41,000 | 93,400 | 93,400 | 64,693 |
| TOTAL | (16) | 43,300 | 93,400 | 93,400 | 64,693 |
| *Repairs and Upkeep of Equipment* (17) | | | | | |
| Motor Vehicles | | 1,400 | 1,400 | 1,400 | 1,666 |
| Teletype Equipment | | 43,000 | 43,000 | 43,000 | 35,932 |
| TOTAL | (17) | 44,400 | 44,400 | 44,400 | 37,598 |
| *Taxes on Diplomatic Properties in Ottawa Area* (19) | | | | | |
| Taxes on Diplomatic Properties in Ottawa Area | (19) | 144,400 | 137,500 | 137,500 | 129,305 |

APPENDIX 2 VOTE 76—*Concluded*

DEPARTMENTAL ADMINISTRATION—*Concluded*

COMPARISON BY PRIMARIES AND OBJECTS—*Concluded*

| | Primary | 1959–60 Main Estimates | 1958–59 Estimated Expenditures | 1958–59 Estimates | 1957–58 Expenditures |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| *Sundries* (22) | | | | | |
| Profit and Loss on Exchange | | 5,000 | 5,000 | 5,000 | 2,466 |
| Compensation for Personal effects lost in travel | | 5,000 | 3,200 | 10,000 | 691 |
| Sundry Supplies and Services | | 45,000 | 45,000 | 40,000 | 46,358 |
| TOTAL | (22) | 55,000 | 53,200 | 55,000 | 49,515 |
| GRAND TOTALS | | 6,319,803 | 5,922,000 | 5,792,311 | 5,157,597 |

APPENDIX 3—VOTE 77

REPRESENTATION ABROAD—OPERATIONAL EXPENSES

COMPARISON BY PRIMARIES

| | Primary | 1959–60 Main Estimates | 1958–59 Estimated Expenditures | 1958–59 Estimates | 1957–58 Expenditures |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| Salaries and Wages | (1) | 4,446,054 | 4,120,000 | 4,005,464 | 3,848,602 |
| Allowances | (2) | 2,926,105 | 2,625,000 | 2,554,436 | 2,428,656 |
| Professional and Special Services | (4) | 86,255 | 76,972 | 109,840 | 62,204 |
| Travelling Expenses | (5) | 108,105 | 121,440 | 104,905 | 76,484 |
| Freight, Express and Cartage | (6) | 79,100 | 77,000 | 54,445 | 62,328 |
| Postage | (7) | 60,540 | 59,000 | 60,540 | 53,195 |
| Telephones, Telegrams and Other Communication Services | (8) | 340,825 | 300,000 | 304,826 | 269,699 |
| Office Stationery, Supplies and Equipment | (11) | 191,735 | 155,000 | 160,850 | 143,128 |
| Fuel for Heating and Other Materials and Supplies | (12) | 196,650 | 135,000 | 180,880 | 135,312 |
| Repairs and Upkeep of Buildings and Works | (14) | 232,285 | 300,000 | 286,850 | 206,162 |
| Rentals of Land, Buildings and Works | (15) | 608,793 | 581,276 | 609,223 | 503,381 |
| Repairs and Upkeep of Equipment | (17) | 120,475 | 115,000 | 120,475 | 77,019 |
| Rental of Equipment | (18) | 4,000 | 5,620 | 5,750 | 3,889 |
| Municipal and Public Utility Services | (19) | 123,705 | 108,140 | 110,610 | 91,317 |
| Benefits, etc. | (21) | 44,136 | 37,354 | 39,376 | 31,961 |
| Sundries | (22) | 37,676 | 37,324 | 38,935 | 43,238 |
| GRAND TOTALS | | 9,606,439 | 8,854,000 | 8,747,405 | 8,036,575 |

APPENDIX 4

CANADIAN GOVERNMENT'S ASSESSMENT FOR MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS

| Organization | Year | Budget | Amount (less credits) | Percentage | Contribution of member States to 1959 budget | |
|---|---|---|---|---|---|---|
| United Nations | 1955 | 39,640,000 U.S. | 1,438,932 U.S. | 3.63% | U.S.A. | 32.51% |
| | 1956 | 48,330,000 U.S. | 1,433,930 U.S. | 3.63% | U.S.S.R. | 13.62% |
| | 1957 | 48,504,640 U.S. | 1,527,897 U.S. | 3.15% | U.K. | 7.78% |
| | 1958 | 55,062,850 U.S. | 1,591,350 U.S. | 3.09% | France | 6.40% |
| | 1959 | 60,121,900 U.S. | 1,707,401 U.S. | 3.11% | China | 5.01% |
| | | | | | Canada | 3.11% |
| Food and Agriculture Organization (FAO) | 1955 | 5,890,000 U.S. | 335,141 U.S. | 5.69% | U.S.A. | 32.51% |
| | 1956 | 6,460,000 U.S. | 297,806 U.S. | 4.61% | U.K. | 10.29% |
| | 1957 | 6,650,000 U.S. | 306,565 U.S. | 4.61% | France | 7.51% |
| | 1958 | 8,322,500 U.S. | 347,049 U.S. | 4.17% | Germany (Fed. Rep.) | 5.60% |
| | 1959 | 8,322,500 U.S. | 347,049 U.S. | 4.17% | Canada | 4.17% |
| International Labour Organization (ILO). | 1955 | 6,990,913 U.S. | 270,206.11 U.S. | 3.98% | U.S.A. | 25.00% |
| | 1956 | 7,395,729 U.S. | 235,021.49 U.S. | 3.63% | U.K. | 10.08% |
| | 1957 | 7,617,708 U.S. | 256,357,67 U.S. | 3.60% | U.S.S.R. | 10.00% |
| | 1958 | 7,972,901 U.S. | 268,203.00 U.S. | 3.56% | France | 6.10% |
| | 1959 | 8,529,857 U.S. | 261,416.00 U.S. | 3.53% | Germany (Fed. Rep.) | 4.34% |
| | | | | | Canada | 3.53% |
| International Civil Aviation Organization (ICAO) | 1955 | 3,223,100 Canada | 126,463 Canada | 5.00% | U.S.A. | 495 Units |
| | 1956 | 3,313,451 Canada | 128,409 Canada | 4.80% | U.K. | 142 " |
| | 1957 | 3,567,732 Canada | 129,187 Canada | 4.20% | France | 109 " |
| | 1958 | 3,492,901 Canada | 125,492 Canada | 4.20% | Germany | 73 " |
| | 1959 | 3,672,000 Canada | *179,975 Canada | 4.13% | Canada | 62 |

* Includes Canadian Government's assessment of $28,199 for the 1957 and 1958 Supplementary Budgets.

APPENDIX 4—*Concluded*

CANADIAN GOVERNMENT'S ASSESSMENT FOR MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS—*Concluded*

| Organization | Year | Budget | Amount (less credits) | Percentage | Contribution of member States to 1959 budget | |
|---|---|---|---|---|---|---|
| U.N. Educational Scientific and Cultural Organization (UNESCO) | 1955 | 9,491,420 U.S. | 262,912 U.S. | 2.77% | U.S.A. | 30.74% |
| | 1956 | 10,508,580 U.S. | 291,088 U.S. | 2.77% | U.S.S.R. | 12.88% |
| | 1957 | 11,069,811 U.S. | 340,951 U.S. | 3.08% | U.K. | 7.36% |
| | 1958 | 11,743,728 U.S. | 314,194 U.S. | 2.93% | France | 6.05% |
| | 1959 | 12,814,034 U.S. | 376,733 U.S. | 2.94% | China | 4.74% |
| | | | | | Germany | 5.04% |
| | | | | | Canada | 2.94% |
| World Health Organization (WHO) | 1955 | 10,049,360 U.S. | 300,280 U.S. | 2.99% | U.S.A. | 32.51% |
| | 1956 | 10,778,824 U.S. | 326,820 U.S. | 3.06% | U.K. | 920 Units |
| | 1957 | 11,051,760 U.S. | 382,940 U.S. | 3.07% | U.S.S.R. | 1644 " |
| | 1958 | 14,411,160 U.S. | 425,060 U.S. | 2.95% | France | 672 " |
| | 1959 | 14,965,660 U.S. | 434,730 U.S. | 2.90% | Germany (Fed. Rep.) | 501 " |
| | | | | | Canada | 373 " |
| General Agreement on Tariffs and Trade (GATT) | 1955 | 351,000 U.S. | 15,000 U.S. | 4.27% | U.S.A. | 18.3 % |
| | 1956 | 383,500 U.S. | 16,250 U.S. | 4.24% | U.K. | 16.5 % |
| | 1957 | 383,500 U.S. | 16,250 U.S. | 4.24% | Germany (Fed. Rep.) | 8.0 % |
| | 1958 | 430,600 U.S. | 28,360 U.S. | 6.58% | France | 7.7 % |
| | 1959 | 548,900 U.S. | 35,130 U.S. | 6.4 % | Canada | 6.4 % |
| International Atomic Energy Agency (IAEA) | 1958 | 4,089,000 U.S. | 123,488 U.S. | 3.02% | U.S.A. | 32.51% |
| | 1959 | 5,225,000 U.S. | 149,371 U.S. | 2.96% | U.S.S.R. | 13.05% |
| | | | | | U.K. | 7.30% |
| | | | | | France | 5.33% |
| | | | | | China | 4.80% |
| | | | | | Germany | 3.98% |
| | | | | | Canada | 2.96% |

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959



STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

*Chairman:* H. O. WHITE, Esq.

## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

MONDAY, MARCH 16, 1959

## ESTIMATES OF THE DEPARTMENT OF EXTERNAL AFFAIRS—1959-60

WITNESSES:

Messrs. N. A. Robertson, Under-Secretary of State for External Affairs; H. F. Clark, Director, Finance Division; J. H. Taylor, Executive Assistant to the Under-Secretary; and K. Goldschlag, Director, Economic Division II.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20835-5—1

STANDING COMMITTEE ON EXTERNAL AFFAIRS

*Chairman:* H. O. White, Esq.,

and Messrs.

Aitken (Miss),
Allard,
Argue,
Cardin,
Crestohl,
Dinsdale,
Dorion,
Eudes,
Fairfield,
Garland,
Hellyer,
Herridge,
Jones,
Jung,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Macquarrie,
Mandziuk,
Martin (*Essex East*),
McCleave,
McGee,
Montgomery,
Nesbitt,
Nugent,
Pearson,
Pratt,
Richard (*Ottawa East*),
Smith (*Calgary South*),
Stinson,
Valade,
Vivian.

J. E. O'Connor,
*Clerk of the Committee.*

# MINUTES OF PROCEEDINGS

MONDAY, March 16, 1959.

The Standing Committee on External Affairs met at 10:35 a.m. this day. The Chairman, Mr. H. O. White, presided.

*Members present*: Miss Aitken, Messrs. Dinsdale, Fairfield, Herridge, Jones, Lennard, MacLellan, Macquarrie, Mandziuk, McCleave, McGee, Montgomery, Nugent, Smith (Calgary South), Vivian, and White. (16)

*In attendance*: Messrs. N. A. Robertson, Under-Secretary of State for External Affairs; H. F. Clark, Director, Finance Division; J. H. Taylor, Executive Assistant to Under-Secretary of State for External Affairs, and K. Goldschlag, Director, Economic Division II.

The Chairman observed the presence of quorum and paid tribute to the memory of the late W. D. Matthews, Assistant Under-Secretary of State for External Affairs whose death occurred suddenly on Saturday, March 14, 1959.

The Under-Secretary of State for External Affairs, Mr. Robertson was called and answered certain questions asked at a previous meeting held Thursday, March 12, 1959.

The Chairman called the following items individually and after questioning of Messrs. Robertson, Clark and Goldschlag, they were adopted:

Item 87—Canadian Government's Contribution to the United Nations Technical Assistance Administration Training Centre at the University of British Columbia.

Item 88—Canadian Government's Contribution to the United Nations Special Fund.

Item 89—Contribution to the United Nations Children's Fund.

Item 90—North Atlantic Treaty Organization—Special Administrative Expenses.

Item 91—Canadian Government's Contribution to the North Atlantic Treaty Organization's Science Fellowships and Advanced Studies Institutes Programs.

Item 92—Further Contribution by the Canadian Government towards the cost of constructing the North Atlantic Treaty Organization Permanent Headquarters.

Item 93—To provide the International Civil Aviation Organization with office accommodation at less than commercial rates.

Item 94—Payment to the International Civil Aviation Organization in part reimbursement of compensation paid to employees.

Item 95—To authorize payment of a pension to Hilda L. Waddell.

Item 99—Canadian Government's Assessment for Membership in the Inter-Governmental Committee for European Migration.

Item 100—Grant by the Canadian Government to the United Nations Refugee Fund.



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Item 101—Canadian participation in the work of the European Productivity agency of the Organization for European Economic Co-operation.

Item 102—Contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

Item 103—Canada's civilian participation as a member of the International Commissions for Supervision and Control in Indo-China.

Item 104—Technical Assistance to Commonwealth Countries and Territories other than those eligible for assistance under the Colombo Plan or West Indies Assistance Program.

Item 105—West Indies Assistance Program.

The following items were called and allow to stand:

Item 96—International Joint Commission—Salaries and Expenses of the Commission.

Item 97—Canada's share of the expenses of studies, surveys and investigations of the International Joint Commission.

Item 98—Colombo Plan.

*Agreed*:— That additional information concerning Canada's contribution to various United Nations funds and agencies be provided to the committee at its next meeting.

The Committee reverted to further consideration of Item 76—Departmental Administration, and Mr. Robertson was further questioned. The item was allowed to stand.

Following remarks by the Chairman concerning the scheduling of future meetings and the preparation of the Committee's Report to the House, the Committee adjourned to meet again at 9:00 a.m. on Thursday, March 19, 1959.

J.E. O'Connor,
*Clerk of the Committee.*

# EVIDENCE

MONDAY, March 16, 1959.
10:30 a.m.

The CHAIRMAN: Will you come to order, please gentlemen.

Before we proceed with our regular business this morning I should like to say a few words in tribute to the memory of Don. Matthews, who passed away suddenly on Saturday morning. As you recall, he was with us last Thursday and was apparently in pretty good health. We are, I am sure, all shocked at the news of his passing. In the past many years, Mr. Matthews has appeared before this committee and has explained the working of the Department of External Affairs, its operation and administration.

Mr. Matthews was born in Toronto on July 2, 1906. He attended the Royal Military College, Kingston, in 1923-24; the University of Toronto, graduating with a B.A., in 1929 and Osgoode Hall Law School in 1930-33. For a period in 1929-30 he was an attache at the Canadian Legation in Washington. After graduating from law school, he practised law in Toronto from 1933 to 1937. For the next year he was associated as a partner in a stock broking firm in Toronto. He came to Ottawa in 1939 as a supervisor in the Foreign Exchange Control Board, and joined the Department of External Affairs in April 1943 as Special Assistant to the Under-Secretary of State for External Affairs. He was appointed Assistant Under-Secretary of State for External Affairs in April 1947, and served as Minister at the Embassy in Washington from 1949 until his appointment as Minister to Sweden and Finland in October, 1952. He returned to Ottawa as Assistant Under-Secretary in September, 1955, and has served here since that date.

Mr. Matthews is survived by his wife and five children. The funeral services for Mr. Matthews will be held this afternoon at Christ Church Cathedral at 2:00 p.m.

It might be worth drawing special attention to the fact that Mr. Matthews was concerned particularly during his service in Ottawa with the personnel and administrative aspects of the department. It will be noted that he was directly concerned with the department's administration in the growth and development that accompanied the late war and early post-war years.

I know I am speaking on behalf of all members of this committee when I say that Don. Matthews will be sorely missed, and I am certain members of the committee will wish to associate themselves with the message of sympathy which I intend to send to Mrs. Matthews later this day.

Now we will proceed, unless there are any members who wish to say something in regard to the passing of Mr. Matthews.

Mr. HERRIDGE: Mr. Chairman, I do want to express on behalf of the group I represent our great regret on hearing of Mr. Matthews' unfortunate passing, and extend to his loved ones who are left behind our deepest and sincere sympathy.

The CHAIRMAN: Thank you. We will now go on with the regular business. I am going to call first on Mr. Norman Robertson. There were some questions asked at our last meeting which were taken as notice. He will answer those questions first and then I shall call item 87.

Mr. NORMAN ROBERTSON (*Under-Secretary of State for External Affairs*): The first question I wish to answer was asked by Mr. McGee. It was with

regard to the registration of lobbyists representing Canadian interests in Washington. I have furnished Mr. McGee with a copy of the latest quarterly return published in the Congressional Record, which does not break down the list of lobbyists into categories. I have not been able to identify all those who might be regarded as representing Canadian interests.

We have asked the Embassy in Washington if they can throw a little more light on the position. Under the requirements of registration, it does not appear on the face of the list which registered lobbyists may possibly represent some Canadian interest.

Mr. SMITH (*Calgary South*): Mr. Chairman, I believe that this is still only a fraction of the lobby as such which actually does function; and these, of course, are the registered lobbyists.

Mr. ROBERTSON: That is just a quarterly register.

The CHAIRMAN: Was that the only question outstanding?

Mr. ROBERTSON: There was also a question asked by Mr. Martin whether further representations had been made to the United States Government on the subject of oil import restrictions in the period between February 19 and March 10. I would just note that I had a telegram from our Ambassador in Washington regarding a conversation he had on March 2 with the Assistant Secretary of State in the State Department. The Ambassador told the Assistant Secretary there was no doubt about how seriously the introduction of this new scheme would be regarded in Canada.

Mr. SMITH (*Calgary South*): I did not quite follow you. Can you speak a little more loudly?

Mr. ROBERTSON: I was asked if there was a record of any representations made during a given period, February 19 to March 10 and I just read from a report by the ambassador of a conversation on March 2, in which he said he left the State Department in no doubt about how seriously the introduction of this new scheme for regulating oil imports would be regarded in Canada.

The CHAIRMAN: Are there any other questions? We will now pass on to item 87.

**Item 87. Canadian Government's Contribution to the United Nations Technical Assistance Administration Training Centre at the University of British Columbia .. $10,000**

Mr. HERRIDGE: Mr. Chairman, what does that item cover particularly? Could we have some details in connection with it?

Mr. ROBERTSON: It is a contribution from the Government of Canada to a project sponsored by the United Nations Technical Assistance Administration of the United Nations in cooperation with the University of British Columbia, to establish a small training school at the University of British Columbia. I think the United Nations has two main objects in establishing this project: one is to train persons coming from other parts of the world in the work of technical administration; and the other is to create a centre for training its own experts in the supervision of the technical assistance programme.

I think this is a commitment for three years, of which this is the first vote.

The CHAIRMAN: Is the item carried?

Item agreed to.

**Item 88. Canadian Government Contribution to the United Nations Special Fund in an amount of $2,000,000 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1958, which is ..... $1,931,250**

Mr. MONTGOMERY: Has there been any explanation of this? Maybe it has been given, but we did not hear it at this end of the room. What is this Special Fund?

Mr. ROBERTSON: I think Dr. Vivian made some explanation at our last meeting. It is a United Nations project for a capital fund for assistance to the less developed countries for development projects which they cannot carry out with their own resources. The plan before the United Nations envisaged a multilateral scheme of assistance which was supplementary to, and could in some cases take the place of, various bilateral schemes of assistance worked out between countries. It was your committee, was it not Dr. Vivian?

Mr. VIVIAN: Yes, sir. Mr. Chairman, I would like to make one or two observations in general, if I might. We are talking here of fairly substantial sums of money and I would like to explain the programme of technical assistance, and the Special Fund of $2 million. There are other items in the estimates which are fairly substantial and I think the committee is entitled to obtain more information. There may be a good deal of confusion as to what the various functions of this Fund are.

There is a relationship here between the standard programme and special assistance.

There are the funds of the International Bank and a number of other funds, and now it was a matter before the recent session of the Assembly to create a better climate in some countries for private investment. I wonder whether it would not be useful if, before I make any comment on this at all—which would of necessity be brief—we could not get some factual information? I know the United Nations puts out some very well-prepared pamphlets; they have some very good ones on the Expanded Program of Technical Assistance. While I doubt if they have yet a pamphlet on the Special Fund, if the committee want this information I am sure the Under-Secretary could see it was supplied. I think it would be useful.

If it is the wish of the committee, then I would elaborate a little on this. It is an exercise which I think is extremely well done. A good deal of the success of this project I think rests with the Canadian representation which was made last summer at the meeting of the Economic and Social council. That Council is one of the three main councils. The work of the Economic and Social Council at the Assembly is split into two departments. The first department deals with economic and financial matters and the second deals with human rights which are more a matter of social consideration than purely financial considerations.

Stemming from the General Assembly of 1957 there was great demand from a number of less-developed countries, notably India, for a very substantial capital fund. This became known as SUNFED. Those countries were looking for something in the vicinity of $200 or $300 million from which they could draw financial assistance to develop projects in their own countries on a multilateral basis. That is, they wanted a great deal of money from other countries pooled into this Fund, from which they could draw. (We must remember when we are considering the scale of our contributions through the United Nations, that other countries, such as the United Kingdom and France, are contributing a great deal of money to the under-developed countries directly through private investment.) This exercise, which went on during the winter meeting and summer meeting of the Economic and Social Council, produced a project known as the Special Fund, and the capital amount of this Special Fund is thought to be somewhere in the vicinity of $40 or $50 million.

We felt this was extremely important, to do two things: first of all, to make some capital available which would not otherwise be available from the Bank or other sources, and secondly to do things which the Expanded Programme of Technical Assistance could not do. I think a simple illustration of the point is this: You have technical assistance in order to provide irrigation; but where are you going to get the money to buy the pumps? That is a very simple illustration of the type of thing this Fund is used for; it is of a general nature.

The fund itself was not as well subscribed to as was hoped. I think the total amount rose to about $26 million, did it not?

Mr. ROBERTSON: Yes.

Mr. VIVIAN: And, of course, there has been a good deal of, I will not say complaint, but rather disappointment in many of these countries which were asking for large sums which they could not get.

Arising from that, there has been the idea that there should be something further done which could come later in the form of a development fund of one kind or another. The United States are particularly interested in this and, indeed, they have contributed the most money. It was felt this would be a very good start to find out the best way to use this Fund, but to use it in relation to other sources.

Therefore I think it would be helpful to the committee if we could have some factual information on these various other programs, and we could look the whole thing through. I think this would be useful.

Mr. MONTGOMERY: This is available to under-developed country.

Mr. VIVIAN: There was a meeting of the Special Fund in February, I believe, and I have no particular information on that, Mr. Chairman. Have you any definite information concerning the meeting of the special fund in February? Was one held?

Mr. ROBERTSON: That is correct. I have here a descriptive pamphlet of the work of the Special Fund, by its managing director, Paul Hoffman. It has been supplied by the United Nations and we could send copies of the pamphlet to the members of the committee, if it would be helpful.

The CHAIRMAN: I think that would be very helpful. Does that meet with the approval of the committee?

Some hon. MEMBERS: Yes.

Mr. VIVIAN: Could we also have something on the Expanded Program and on the Banking and the Fund?

The CHAIRMAN: I was just discussing that very problem. I was wondering if it would meet with the approval of the committee if we called a witness from the United Nations Society so that he could give us any information that they have available. What are the thoughts of the committee on this?

Mr. SMITH (*Calgary South*): I assume that we do not have that information available to us at present—it is something you want?

The CHAIRMAN: Yes.

Mr. ROBERTSON: We could submit a memorandum from one of my colleagues explaining the status of the different international projects for capital assistance to under-developed countries and relate this to the work being done by other agencies.

Mr. JONES: I think, Mr. Chairman, it would be helpful if that could be done through the department, with the approval of the committee.

Mr. ROBERTSON: I will ask Mr. Goldschlag to deal with that at the next meeting.

The CHAIRMAN: I think that will meet the wishes of the committee.

Is it the wish of the committee and Dr. Vivian that this item be now passed? Do you wish it to be passed?

Mr. VIVIAN: I would be very pleased to see it passed.

The CHAIRMAN: Is that agreed?

Item agreed to.

**Item 89 Contribution to the United Nations Children's Fund ..... $ 650,000**

Mr. HERRIDGE: In what way is that fund being used at the present time? Have the circumstances changed over the years?

Mr. ROBERTSON: Yes. With regard to the problem of assistance, I think the fields of endeavour are shifting. But this money is being spent in refugee camps, supplementing the work of UNRWA in the Middle East. Dried milk distribution I think is one of the items. I am not too familiar with the actual program of work.

Mr. JONES: Is this the same fund as the emergency fund? Has the title been changed?

The CHAIRMAN: As I understand it—and Mr. Robertson will correct me—it supplements the emergency fund.

Mr. JONES: It supplements the emergency fund?

Mr. ROBERTSON: Yes. I have an itemized list of expenditure. It says that aid is now being given under 323 programs in 100 countries and territories, and the Canadian government is contributing at this scale, $650,000 a year for the last three years.

The major contribution has always come from the United States, which has offered a matching grant, so it will equal all the contributions that come from other members of the United Nations.

The CHAIRMAN: Are there any further questions? Is the item carried?

Item 89 agreed to.

**NORTH ATLANTIC TREATY ORGANIZATION**

**Item 90. Special Administrative Expenses including payment of remuneration, subject to the approval of the Governor in Council and notwithstanding the Civil Service Act, in connection with the assignment by the Canadian Government of Canadians to the international staff of the North Atlantic Treaty Organization (part recoverable from the North Atlantic Treaty Organization).. $ 60,245**

Mr. JONES: Do these people on the international staff supplied by Canada still retain their position with the Civil Service Commission?

Mr. ROBERTSON: Yes, their seniority is preserved, and their pension rights are preserved. This supplemental vote is to give them the same income and allowances as others in our organization. I think they are working with the NATO staff in Paris, and they would have the same income and allowances as if they were holding their rank in the Canadian embassy on our own staff. It is a terminable arrangement, usually for two or three years.

Mr. JONES: How do promotions come about on the international staff? Is Canada consulted with regard to our own nationals, or are we allotted positions for our own civil servants?

Mr. ROBERTSON: I think from time to time we are asked if we can make a man available for a particular slot in the organization. But on the question of promotion, I understood that would be the responsibility of the Secretary-General, who is in charge of the administration.

Mr. JONES: Would that be relating to questions of an increase in salary?

Mr. ROBERTSON: No, that would be negotiated. We have a man from our service, who has been a counsellor of our Embassy in Bonn, who came to take a quite senior administrative post in the headquarters in Paris. He was posted there, as far as we were concerned, at the same salary and allowances as if he had been posted in the Canadian government foreign service. But there was a NATO establishment for the job at less than our salary, because our salaries, like the American salaries, tend to run a good deal higher than most of the European salaries. The difference between the salary scales would be covered by appropriation, I would think.

The CHAIRMAN: Are there any other questions? Does item 90 carry?

Item 90 agreed to.

**Item 91. Canadian Government's Contribution to the North Atlantic Treaty Organization's Science Fellowships and Advanced Studies Institutes Programs in an amount of $44,060 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1958, which is ..... $ 42,545**

Mr. JONES: Mr. Chairman, I wonder if at this stage the witness might give some brief review of the progress that has been made in the scholarship program of NATO? I notice that this particular item is a new one, but the general program of scholarships and fellowships has been in train for a few years now.

I wonder if we could have a report on that?

Mr. ROBERTSON: I understand that this is to finance the first instalment of a four-year program which has been studied and debated in NATO; but this is the first year in which it is taking effect. We have no progress report to make on how it has been carried out.

Mr. JONES: The other scholarship programs that have been carried out are not covered under this item, then? The NATO organization has been granting scholarships from time to time over the last three or four years.

Mr. ROBERTSON: Yes.

Mr. JONES: Not scientific, but more of the general type of scholarships. We have had some Canadians winning scholarships, for example, in connection with that program.

Mr. ROBERTSON: Yes. It is the scientific fellowship program that is new and for which finance is being requested this year. But the more comprehensive program includes grants in aid of fundamental research and also a program for an advanced studies institute. I think Mr. Wilgress is currently making a survey for the NATO council with regard to the status of the program.

I understand it contemplates an appropriation within the whole alliance of $1 million for fellowships, and that the Canadian assessment under that would be $38,300. There would be fellowships worth $48,300 administered by Canada under the scheme.

The CHAIRMAN: I should have mentioned earlier, possibly, that we are now on page 8 of the detailed statement, and this is item 91. Does item 91 carry?

Mr. MACQUARRIE: Mr. Chairman, I wonder if I might ask what is envisaged by an advance studies institute? We tend to think of that as being something rather tangible, by way of mutation, perhaps, or structure. I am not altogether clear as to the distinction between those who would be functioning as a part of the institute and those who might be fellows under the fellowship plan.

Mr. ROBERTSON: I think the NATO educational program has had three main components. There has been the program for facilitating interchange of academic appointments, professorships, within the North Atlantic community. That is a program that has been under way, although slowly, for some years.

Then there were the arrangements for exchange of advanced scholarships. This particular program is for purely scientific scholarships. Then you have studies at universities within the North Atlantic community. They are supposed always to be related to the general objects of the NATO community.

I think it has been a subject of argument inside NATO as to just how practicable, just how concrete, it is to keep on integrating a program like that within the framework of the North Atlantic alliance.

I know the project for an institute of advanced studies is one which has been examined for two or three years within NATO and I do not think definite decisions have been taken about it yet. They had contemplated a centre where these advanced studies would be brought together.

Mr. MACQUARRIE: It is still being looked into?

Mr. ROBERTSON: Yes.

Mr. JONES: As I understand it, there are two proposals in respect of the Atlantic institution; one is being looked at within the NATO organization itself, and one is being discussed outside the governmental organization, it being felt that perhaps an institute of that nature, if it is outside the framework of the NATO organization, might be able to achieve certain ends and gain certain confidences with governments other than NATO. This would not be possible for an organization which was started by the alliance and which is regarded in some countries as being purely military.

At the NATO parliamentary association in 1957 and again in 1958, this question of the Atlantic institute came up and it will be discussed at the Atlantic congress in London this year; but the Atlantic institute envisaged there is one outside the formal framework of the NATO organization.

Mr. VIVIAN: Is this something which has arisen as a result of the activities of Senator Jackson's committee on scientific and technical training? I am attempting to bring out what Mr. Jones said about the possibility of there being an attempt to establish two bodies.

I am very interested to know the source of this project and whether or not it developed from Senator Jackson's committee on scientific and technical procedure, or whether it arose from a different committee.

Mr. ROBERTSON: I think it would be better if we made some inquiries and let you know as to the origin of this organization.

Mr. JONES: The original proposal put forward by Senator Jackson was quite broad and included a number of different fields. A resolution was subsequently narrowed down and made more specific. Therefore, as far as I can gather, this particular Atlantic study project that was mentioned did have its origination in forces other than Senator Jackson's resolution; but certainly Senator Jackson's resolution gave impetus on the scientific side.

The CHAIRMAN: Is it agreeable that the item carry and that a more full explanation of it will be given at our next meeting?

Items 91 to 94 inclusive agreed to.

**Item 95. To authorize payment of a pension during the current and subsequent fiscal years, notwithstanding anything contained in the Financial Administration Act or any other Act or Law, to Hilda L. Waddell, a former locally-engaged employee, at an annual rate of 60,000 Brazilian cruzeiros, notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1958, which is ..... $ 412**

Mr. NUGENT: May we have an explanation of this item?

Mr. H. F. CLARK (*Finance Division, Department of External Affairs*): This is for a locally engaged person whom we have had for a considerable number of years on the staff of the Embassy at Rio de Janeiro. At various posts abroad, where it has been possible, we have established contributory pension funds, but in this particular case there was no such fund available for the person concerned and we are obliged to use this rather odd ad hoc way of dealing with this case until such a time as it is possible to establish a pension fund which would apply in similar cases.

Mr. SMITH (*Calgary South*): Has this been a continuing item for some time?

Mr. CLARK: No; this item represents the complete annual charge.

Miss AITKEN: Will this be brought up each year?

Mr. CLARK: Yes.

Miss AITKEN: What is so peculiar about this one person?

Mr. CLARK: We do not have a pension scheme which applies to these persons in the sense in which it would apply to permanent employees.

This woman, as a result of many years of service, was not able to be paid a pension and we were obliged in this instance to use this ad hoc way of dealing with it.

Mr. SMITH (*Calgary South*): You have had similar situations in past years where you have carried them on the same basis?

Mr. CLARK: Yes.

Mr. JONES: Do you expect this to be a developing situation and that more monies will be in the item in future years?

Mr. CLARK: No; it should be less. The pension funds are gradually being established to take over such problems.

The CHAIRMAN: I wish to make an announcement in respect of the International Joint Commission item. On Thursday, April 16, General McNaughton will be with us on this item. This item will stand until that time.

Mr. SMITH (*Calgary South*): What time will the meeting be held?

The CHAIRMAN: At 10:30 a.m. While I am mentioning dates of meetings, I might add that as I said earlier we will try to avoid meeting while the house is sitting. There has been considerable discussion about this. Of all the meetings held last year, only two meetings of this committee were held while the house was sitting.

Mr. LENNARD: If all the members of the veterans affairs committee walked out now, you would not have a quorum. Having these two meetings at one time is rather confusing.

Mr. SMITH (*Calgary South*): I would point out that on Thursday we have agreed to hold the Estimates committee following this. If you hold this meeting on Thursday at 10:30, you will run into the same situation again. Could you not hold it earlier than 10:30?

Mr. MCGEE: Mr. Chairman, is there not a committee which establishes some schedule on these matters, or does everyone just dive in?

Mr. SMITH (*Calgary South*): I thought we had worked out an arrangement between the Estimates committee and the External Affairs committee and through its secretary and instead of meeting at 10:30 on Thursdays we delay our meetings until 11:00 a.m. We meet from 11 to 12:30 a.m. But if this committee meets at 10:30, sixty members of the Estimates committee will have to make a choice of which committee they attend. It is a bit difficult.

Mr. MONTGOMERY: Could this committee not meet at 9:30?

The CHAIRMAN: It can start at 9:30 as far as I am concerned. Most of us are here for breakfast, or shortly thereafter. It is not possible for all committees to meet at 10:30 in the morning because of lack of committee rooms, and one thing and another. In trying to accede to the wishes of those who thought that 9 o'clock was too early we ran into this difficulty.

As I say, not all the committees can possibly meet at the desired hour. I would point out that this date, April 16, is a month away. Some committees may have completed their deliberations and some may not; I do not know.

We will take under consideration what has been said and attempt to work it out to the best advantage.

Item 98 stands.

Items 99 and 100 agreed to.

**Item 101. Canadian participation in the work of the European Productivity Agency of the organization for European Economic Cooperation ..... $ 20,000**

Mr. NUGENT: How much is the amount in this item?

The CHAIRMAN: $20,000.

Mr. NUGENT: There is nothing in the details on that item. Could we have a word on that?

Mr. ROBERTSON: I could read a departmental note. It says: The European Productivity Agency, for which we are recommending continuation of $20,000 annual grant is a subsidiary organization of the O.E.E.C., Organization for European Economic Cooperation, of which Canada like the United States is an associate member.

Item agreed to.

**Item 102. Contribution to the United Nations Relief and Works Agency for Palestine refugees in the Near East ..... $ 500,000**

Mr. VIVIAN: May we have an explanation of this situation? It has been going on for some time now.

Mr. ROBERTSON: This has been a long continuing item.

Mr. MCGEE: It relates to the other item.

Mr. ROBERTSON: The earlier item is for the budget of the United Nations High Commissioner, whose main concern is with political refugees in Europe and the Far East.

The problem of the mass displacement of Arab refugees from Palestine after 1948 really was of a different order of magnitude entirely and under a separate administration. It has been a separate problem for the United Nations over these last ten years and is likely to be a continuing problem.

I might mention that, in addition to this sustaining grant for general expenses of administration, the government has made a large contribution in kind in the form of wheat flour for distribution.

Mr. SMITH (*Calgary South*): What portion of this was used in 1958-1959?

Mr. ROBERTSON: I would think, subject to correction, that it was entirely used. UNRWA are operating with resources which in the aggregate always fall short of what is needed. Other nations contribute unequally towards this. I think this is another of those things like the United Nations children's fund, where the United States has offered to supplement its direct contribution by a proportionate grant to match the additional contributions of other countries.

Mr. SMITH (*Calgary South*): Dealing with the total value, how do you determine the same amount will be used this year as last year? Or how do you consider it is sufficient?

Mr. ROBERTSON: Our department's representative and a representative of the Department of Finance keep in pretty close touch with the review of the administration of this by UNRWA. The general magnitude of this contribution seemed to be related to what Canada, the United States and the United Kingdom are doing for this purpose.

Mr. SMITH (*Calgary South*): You mentioned this is an unequal grant by the participating countries. Would you be able to give us an estimate of the proportion we contribute in relation to others? Is it substantial compared to others; is it lower, or what?

Mr. ROBERTSON: I have a breakdown on the relationship of our contribution. Since 1951, the annual rate of Canadian contribution has been between $500,000 and $600,000 per annum. This rate has been considered adequate relative to the contributions of other states, although the level of Canadian contributions has not been commensurate with the rate of the Canadian assessment for the administrative budget of the United Nations.

The other major contributors and their approximate total contributions since 1948 are: The United States, $182.7 million; the United Kingdom, $49.9 million; France, $12.1 million; Australia, $1.8 million and New Zealand, $1.2 million. The total Canadian contribution over this same eight-year period comes to about $7½ million.

Mr. McGEE: What has been the increase in population in this group? It has been increasing, I understand.

Mr. ROBERTSON: Yes. The children born in the refugee camps keep the total numbers who are dependent on UNRWA up to about the figure they first reached in 1948-1949.

Mr. SMITH (*Calgary South*): You mentioned Canada's contribution was $7.2 million.

Mr. ROBERTSON: That is the cumulative total.

Miss AITKEN: Is this money used mostly to buy food?

Mr. ROBERTSON: Food, medical care, and camp administration, but basically food on a pretty meagre ration.

Mr. NUGENT: Do I gather from your remarks that the same group of people has been maintained at about the same level in camps over all these years, that we have not been able to find any place to put them, and so none of this money is for the purpose of settling them elsewhere? It merely maintains them in camps during all this time.

Mr. ROBERTSON: The great bulk of the expenditure is for maintenance and training programs, but in the aggregate it has not developed any major reduction. The problem has to be set against the political background in the Middle East; it does not present the same problems of placement and relocation as do the refugees who are in the care of the United Nations High Commissioner for refugees.

Mr. SMITH (*Calgary South*): This is a sustained grant. Is there any likelihood in the immediate future of seeing anything other than a small reduction? It looks as though it will be maintained at some length.

Mr. McGEE: Is there not some indication it will increase?

Mr. ROBERTSON: I do not think it is likely to increase, but I could not honestly say that I can see any early end to this problem.

Miss AITKEN: Does Israel contribute to it?

Mr. FAIRFIELD: Does Israel not have their own refugee camps on their own side of the border?

Mr. ROBERTSON: I am informed that Israel does not contribute to UNRWA.

Mr. NUGENT: I am wondering about this, Mr. Chairman. I can see a lot of money being spent on relief, but is it not supposed to be for rehabilitation? I am endeavouring to find out whether or not there is in fact any of this money being spent for rehabilitation. The problem has been there and unresolved for twelve years. It is simply relief.

Mr. McCLEAVE: By co-operation between UNESCO and UNRWA some of the money is spent in connection with the education of the child population.

Mr. NUGENT: When they are educated and grow up, is there any place for them to go except these camps? Considering the substantial sums of money involved, perhaps it would be better if it were all lumped together and presented to one government. With this number of people we will have this amount for a number of years.

Mr. ROBERTSON: You cannot separate this relief problem from the political background on which it rests. This is the most serious difficulty in the whole Middle East. If there was stabilization of the Middle East position, one of the first results would be the settlement of the refugee program. At the present time it is not a program in which you can make much progress.

Mr. SMITH (*Calgary South*): In other words, it is a contribution which has been perhaps responsible for stabilizing the situation there; and also from a dollars and cents standpoint you have to recognize that that is a contribution which it is really making.

Mr. ROBERTSON: It is one of the costs.

Mr. JONES: Last year we went into this very thoroughly. I am wondering whether since our last meeting there have been any significant developments or changes in the situation, or offers for new schemes for rehabilitation, in connection with this subject.

Mr. ROBERTSON: No. I would say there has been a good deal of discussion with many countries concerning the problem, notably at the last session of the United Nations; but I think it is generally recognized that this was a problem with which we have to live, and carry on.

Mr. SMITH (*Calgary South*): I would like to ask a final question: how do you arbitrarily arrive at a figure of $7.2 million as compared to $14 million, or in the case of the United Kingdom, $50 million. How is that decided?

Mr. ROBERTSON: Assessment for membership in our case is something around 3 per cent of the total cost. It is recognized there is a group of countries which have to make a contribution; some countries feel they have to pay more than others.

Mr. SMITH (*Calgary South*): Is this based on the standard formula under which United Nations contributions are generally made, in relation to the ability of the country to pay?

Mr. ROBERTSON: Well, you have to qualify that. Some countries respond more generously than others. Some countries are not particularly worried if a problem like this is allowed to go on festering; other countries feel that if they do not help out, it could get worse.

Item agreed to.

Item 103 agreed to.

**SPECIAL**

**Item 104. Technical assistance to Commonwealth countries and territories other than those eligible for assistance under the Colombo plan or West Indies assistance program ..... $ 500,000**

Mr. JONES: Mr. Chairman, this is a substantial increase. Could we have a statement on that vote.

The CHAIRMAN: Yes, there is an increase of $365,000.

Mr. McGEE: Where is this designated? Is there a reference breakdown?

Mr. ROBERTSON: It is primarily for assistance in Ghana. It is a residual vote, in a way, which is available for assistance to countries of the Commonwealth which are not within the scope of the Colombo plan nor, I gather, the special arrangements made to help the British West Indies. Although it is not itemized by particular countries, it is primarily for technical assistance to Ghana. However, it is also available for similar assistance to other African countries; and I am told that Nigeria will receive some assistance this year.

Mr. NUGENT: Why do they not come under the Colombo plan?

Mr. ROBERTSON: The Colombo plan was devised to create a method of assisting countries in a particular geographical region; first, countries within the Commonwealth, and then other neighbouring countries in that same area with similar problems were brought within the scope of the Colombo plan. The problem of developing countries in Africa is different again and has to be met by other similar projects, as in the case of the West Indies.

Mr. NUGENT: It is then a geographical matter.

Mr. ROBERTSON: Yes.

Item agreed to.

SPECIAL

Item 105. West Indies assistance program ..... $2,100,000

Mr. JONES: That, Mr. Chairman, is a very welcome increase. In view of the formation of the federation, there is an increased interest in Canada over recent years in regard to the success of the British West Indies. A short statement of the program might be of interest to the committee and to people in general.

Mr. K. GOLDSCHLAG (*Head, Economic Division II*): Mr. Chairman, the amount listed under the vote is in a sense an arbitrary one. It is part of the government's undertaking given at the Commonwealth trade and economic conference at Montreal to make available, subject to parliamentary approval, a total of $10 million to the West Indies over a three-year period. The $2,100,000 item is in a sense the best judgment we can form at this stage as to what may reasonably be spent in the current fiscal year.

The main item of this particular program will be the building in Canada of two ships for inter-island services in the West Indies. As the minister explained in the house in the context of the external affairs debate, the meaning of these ships to the West Indies federation as such will be something like the meaning of the transcontinental railway for Canada.

Apart from this item, which may take up to between two-thirds and three-quarters of the total cost of the program, there will be a good deal of technical assistance and a number of modest projects for which the federation have asked, including, for example, a survey of port and harbour development. That would take up between $2½ million and $3 million of the program. It is expected the ships are likely to be laid down in the course of 1959-60, and it would take something like eighteen months or so to complete.

Item agreed to.

The CHAIRMAN: We are indebted to Mr. Goldschlag for giving this statement to us.

This concludes the study of the estimates, except for those items that have been set aside.

Mr. SMITH (*Calgary South*): Is the general item still being held open?

The CHAIRMAN: Yes.

Mr. SMITH (*Calgary South*): I wonder if you are able to advise offhand the volume of trade which Canada does with Venezuela. Is it between $14 million and $20 million?

Mr. ROBERTSON: Do you mean our exports there?

Mr. SMITH (*Calgary South*): Yes.

Mr. ROBERTSON: The figure you mentioned strikes me as being a reasonable one, but I have not the exact figure at this time.

Mr. SMITH (*Calgary South*): I am referring to the volume of export trade to Venezuela.

The CHAIRMAN: Yes. Gentlemen, the estimates of the International Joint Commission will be before us on April 16; and in connection with the Colombo plan we will have Dr. Ault before us on Thursday, March 19, at 9 a.m.

I want to advise all members of the committee that I would be interested in having from them any suggestions or contributions in regard to the writing of this committee's report. Last year I think it was a case of "let George do it" and, consequently, we did not receive any contributions. I hope this year there will be suggestions forthcoming as to what might or might not be included in this report.

There will be a meeting of the steering committee in my office, room 353S, directly after this meeting.

Mr. McGEE: I wonder if we could obtain from someone a review of Canada's foreign aid contributions, development contributions, and so on. If you like, they could be summarized, but it would be set against what is known generally as Russia's economic offensive. Surely one of the major motivations in our foreign aid assistance and development program is to contribute our part in reply to the Soviet economic war, as it has been called. I wonder if a statement might be prepared putting this in context and comparing the relative effectiveness of our program as a component of the West.

The CHAIRMAN: I think Mr. McGee's suggestion is good one. I understand some of Mr. Goldschlag's work has to do with this. He will be present when Dr. Ault is here in connection with the Colombo plan; and we will see if we can have that summary for you at that time.

Mr. JONES: As it is a very interesting suggestion, perhaps figures from other NATO countries might be added. Would it be possible at the same time to underline the great disparity in favour of our side in regard to contributions that have been made, in comparison with actual Russian aid, as opposed to their aid as set out in publicity?

Mr. ROBERTSON: I think we can produce the statistical material for such a comparison.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

*Chairman:* H. O. WHITE, Esq.

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## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5



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MONDAY, APRIL 13, 1959

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## ESTIMATES OF THE DEPARTMENT OF EXTERNAL AFFAIRS—1959-60

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WITNESSES:

Mr. K. Goldschlag, Director, Economic Division II, Dept. of External Affairs; Dr. O. E. Ault, Director, Economic and Technical Assistance Administration, Dept. of Trade and Commerce assisted by Messrs. D. Bartlett, Chief of Planning; F. E. Pratt, Capital Projects; J. H. Marshall, Finance and Administration

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Fairfield,
Garland,
Hellyer,
Herridge,
Jones,
Jung,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Macquarrie,
Mandziuk,
Martin (*Essex East*),
McCleave,
McGee,
Montgomery,
Nesbitt,
Nugent,
Pearson,
Pratt,
Richard (*Ottawa East*),
Smith (*Calgary South*),
Stinson,
Valade,
Vivian,

J. E. O'Connor,
*Clerk of the Committee.*

# MINUTES OF PROCEEDINGS

MONDAY, April, 13, 1959.

The Standing Committee on External Affairs met at 11.00 a.m. this day. The Chairman, Mr. White, presided.

*Members present*: Miss Aitken, Messrs. Crestohl, Dinsdale, Fairfield, Garland, Herridge, Jones, Kucherepa, Lafrenière, Lennard, MacLellan, Mandziuk, Martin (*Essex East*), McCleave, Montgomery, Nesbitt, Richard (*Ottawa East*), Smith (*Calgary South*), and White. (19)

*In attendance*: Dr. O. E. Ault, Director, Economic and Technical Assistance Administration, Dept. of Trade and Commerce; Mr. D. Bartlett, Chief of Planning; Mr. F. E. Pratt, Chief of Capital Projects; Mr. W. D. Mills, Chief of Technical Co-operation; Mr. J. H. Marshall, Chief of Finance and Administration; Mr. K. Goldschlag, Director, Economic II Division, Department of External Affairs.

The Chairman observed the presence of quorum and called upon Mr. Goldschlag to answer certain questions asked at previous meetings.

The following series of statistical tables were presented to be printed as appendices to the Committee's record and copies were distributed to members of the Committee.

1. Canada's Post-War Financial Assistance Abroad 1945-1960. (*See Appendix 1*)

2. International Economic Aid to Under-developed Countries 1953/54-1955/56 and 1956/57 By Contributing Country or Agency. (*See Appendix 2*)

3. Contributions of Governments to International Technical Assistance and Relief Agencies 1957. (*See Appendix 3*)

4. Estimated Sino-Soviet Bloc Credits and Agreements with Less Developed Countries—including Military Credits. (*See Appendix 4*)

Copies of a booklet entitled "The Expanded Programme of Technical Assistance for Economic Development of Under-Developed Countries" and the "Seventh Annual Report of the Consultative Committee of The Colombo Plan for co-operative economic development in South and Southeast Asia" were also distributed to Members.

Following Mr. Goldschlag's questioning, the Chairman called Item 98—Colombo Plan and introduced Dr. Ault.

Dr. Ault assisted by Messrs. Pratt and Bartlett answered questions relating to the Colombo Plan in general and certain of its operations in particular.

The following statistical summaries were ordered to be printed as appendices to the Committee's Record and copies were distributed to Members:

1. Canadian Colombo Plan Assistance—Financial Statement. (*See Appendix "A"*)

2. West Indies and Ghana Assistance Programs—as at December 31, 1958. (*See Appendix "B"*)



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3. Colombo Plan Capital Assistance Projects—Ceylon—India—Pakistan—Other Countries 1951/52-1958/59. (*See Appendix "C"*)

4. Statistical Summary of Technical Co-operation Program—1950-58.

Item 98—Colombo Plan—was adopted.

At 1.00 p.m. the Committee adjourned to meet again on Thursday, April 16, 1959.

J. E. O'Connor,
*Clerk of the Committee.*

# EVIDENCE

MONDAY, April 13, 1959.
11.00 a.m.

The CHAIRMAN: Gentlemen, if you will come to order. Quite some time has elapsed since our last meeting, but you will recall at that time some questions were being asked for a breakdown in the comparison of the amount of communist aid that actually was being supplied to the underdeveloped countries, in comparison with our own.

We have with us today Mr. Goldschlag, and he has prepared a statement which is being distributed to the members. There were some other questions asked regarding the monetary fund and special fund, United Nations technical assistance. So without further delay I will call on Mr. Goldschlag.

Mr. K. GOLDSCHLAG (*Economic Division, External Affairs*): Thank you, Mr. Chairman. Might I say one or two words about these tables, which I am afraid do not fully meet the committee's concern to see on paper something that compares Western aid with aid from the Soviet bloc countries. The difficulty has been that, while the United Nations has undertaken a comparative survey of economic aid, the countries of the Soviet bloc have not submitted data, and this has made comparison a little difficult.

The second table we have here, called "International economic aid to underdeveloped countries," you will note, has no figures at all for aid from Soviet bloc countries. However, the last table represents the latest position, so far as one is able to ascertain it, of what aid is being made available, or has been made available, to underdeveloped countries by the Soviet bloc.

I would like to say a few words about the table, which will help you to put it in better perspective. The first point is that it is really cumulative from about 1954—that is to say, from about the time when the countries of the Soviet bloc first embarked on economic aid programs—and it goes up to March, 1958.

The second point that should be made is that the amounts that have actually been drawn are a good deal smaller than the figures presented in this table. Out of the total of about $2.3 billion, the actual amounts drawn are probably not in excess of $900 million; and of that about half would be military aid.

The third point I would like to make in connection with the total is that virtually all of this assistance has been in the form of credits; that is to say, the delivery of Soviet bloc goods on credit. This makes it a little difficult to compare Soviet bloc aid with western aid, which has been largely—but not exclusively, of course—supplied in the form of grants. Of this table, about two-thirds is aid made available by the Soviet Union, and the rest is aid made available by Eastern Europe and China. Again, about two-thirds of the total amount—say, $1.6 billion—is economic aid, and one-third, about $800 million, is military aid.

In looking over the table, the members of the committee will note that the aid has been very largely concentrated in what used to be six countries and, with the formation of the United Arab Republic, has become five countries; namely, the United Arab Republic, India, Indonesia, Afghanistan and Iraq.

I might just say one final word about the table which will enable the members of the committee to compare these orders of magnitude with the

aid that has been made available by the United States. Taking the countries on this table, and the same period represented by Soviet aid, the aid made available by the United States is just about double that made available by the Soviet bloc. This, it shoulld be borne in mind, is a very select list of countries, and it has been selected for the fact that it is countries where the Soviet bloc have thought it expedient to give economic aid. But even this selected group of countries shows that United States aid, over the same period to the same countries, has been about double the aid from the Soviet bloc as a whole.

I think, Mr. Chairman, if it meets the convenience of the committee, I would leave this subject at this stage, and it may be that after Dr. Ault has spoken to the committee there may be some general discussion about the subject of aid from the Sino-Soviet bloc.

The CHAIRMAN: Does that meet with the approval of the committee?

Son. hon. MEMBERS: Agreed.

The CHAIRMAN: I should probably ask at this point the agreement of the committee to having these tables, and the other tables that Dr. Ault will present printed in today's evidence. Is it agreed?

Some hon. MEMBERS: Agreed.

Mr. GOLDSCHLAG: Then, Mr. Chairman, the other point that was left over from the last meeting of the committee was to define briefly what were the respective spheres of operation of the International Monetary Fund, the International Bank, the United Nations expanded program of technical assistance and the Special Fund. In the meantime we have been able to circulate booklets on each of these four organizations, and I think perhaps all I have to do is to point up very briefly in what respect the operations of these organizations differ.

The international monetary fund has, broadly, two purposes: to create exchange stability and to facilitate the expansion of the volume of world trade. For this purpose the internationl monetary fund is able to provide member countries with two forms of aid credits and stand-by credits.

Credits are short-term credits designed to enable countries to tide them over short-term balance of payments difficulties while longer term remedies—monetary and fiscal remedies—begin to operate through the economy. They are not for the purpose of providing capital for long-term economic development.

To illustrate it very briefly: suppose Ceylon finds that in a particular year export revenues from tea fall very much below expected levels and orders for development goods are at such a level that a fairly substantial balance of payments arises. Ceylon would then be able to go to the international monetary fund and make a case for short-term accommodation. This is different from the operation of the international bank, which would be able to supply Ceylon with long-term credit, say, extending over as much as 25 years, for essential economic development purposes. The bank is operated mainly in what might be called the field of basic capital services. Or, to use a word of modern jargon, economic infrastructure. In other words it has extended loans for such things as hydro electric development, the improvement of transportation, agriculture, industry—the sort of projects that in the long term help economic growth to become self-sustaining.

Both the international monetary fund and the international bank, however, have extended technical assistance to member countries, in the sense that they have available the facilities and the staff to help countries to plan their economic development policies over a long-term period.

Apart from these two organizations, the United Nations expanded technical assistance program is really confined to the provision of experts and the

accommodation in the different member countries of various scholars, fellows and trainees from underdeveloped countries.

Mr. CRESTOHL: Before leaving the question of the international bank and the international monetary fund, am I right in believing that Canada's contributions like the contributions of other countries to this fund, are purely in the way of loans and not outright gifts?

Mr. GOLDSCHLAG: These are subscriptions to the capital structure of the two organizations.

Mr. CRESTOHL: And which, at some time, Canada can expect to recover.

Mr. GOLDSCHLAG: This would be on the assumption that the operation of either of these organizations would ever come to an end.

Mr. CRESTOHL: I am trying to understand the difference between an outright gift—as we give in some cases of aid—and money merely advanced, loaned or financed, as in this case.

Mr. GOLDSCHLAG: It is a subscription to operating capital. One of the differences between these organizations and, for example, the United Nations expanded program of technical assistance where subscriptions are on the basis of voluntary contributions from year to year is, that these, of course, are not returnable.

Mr. CRESTOHL: Those are gifts?

Mr. GOLDSCHLAG: Yes, those are gifts.

Mr. CRESTOHL: That is the difference I wanted to have explained.

Mr. GOLDSCHLAG: As I said, the United Nations expanded program of technical assistance does not really enter to any extent the capital development field. It is because of this limitation and, as members of the committee will be aware, of the impetus that has been for many years behind the establishment of SUNFED—the special United Nations fund for economic development—that this year the special fund of the United Nations is coming into operation. It is a compromise, as it were, between a very large capital development fund and the technical assistance program.

Mr. MARTIN (*Essex East*): What is the total of the SUNFED fund—two hundred and fifty or five hundred? What is the total of the program?

Mr. GOLDSCHLAG: Mr. Chairman, there is no SUNFED program at the present time.

Mr. MARTIN (*Essex East*): I think there was an agreement at the last assembly.

Mr. GOLDSCHLAG: The special fund?

Mr. MARTIN (*Essex East*): The special fund.

Mr. GOLDSCHLAG: The subscription for the current year is just in excess of $26 million. This figure is a little below the original expectations. For example, the United Nations technical assistance program will make available some modest equipment and supplies when it is indispensable, say, to the assignment of an expert, but it does not have funds to provide equipment on a larger scale.

We are told that the special fund will be concentrated largely in what one might call preliminary economic development projects, surveys of resources and manpower, the establishment of technical and other training institutions, research centres, demonstration plants and so forth. Like the United Nations technical assistance program, the fund will operate on the basis of annual voluntary contributions. I might add that Canada has contributed $2 million for the first year of the fund's operations, which is 1959, and the Canadian contribution to the expanded program of technical assistance is also $2 million for the current year.

The CHAIRMAN: Are there any questions gentlemen?

Mr. MARTIN (*Essex East*): So the original objective was not $500 million?

Mr. GOLDSCHLAG: I believe it was $100 million for the special fund. This was the general figure which was talked about.

Mr. MARTIN (*Essex East*): Are you sure of that?

Mr. GOLDSCHLAG: Not for the SUNFED.

Mr. MARTIN (*Essex East*): The SUNFED was five hundred and fifty.

Mr. GOLDSCHLAG: I believe that is right.

Mr. MARTIN (*Essex East*): Was that not cut down to two hundred and fifty, and then finally abandoned?

Mr. GOLDSCHLAG: As I said, I believe that the special fund, which is beginning to operate this year, was very much of a compromise between the ideas for a SUNFED and the limitations of the current technical assistance program.

I do not think it is being regarded by the underveloped countries as a substitute for the SUNFED proposals.

Mr. JONES: Well, I think probably, Mr. Chairman, after a small amount was spent on the present situation in regard to the special fund in SUNFED it was found not to be acceptable.

Mr. GOLDSCHLAG: It is not, perhaps, that is was found not to be acceptable. I think probably the scale of effort that would be required under SUNFED is such that the general contention of countries such as the United States, for example, has been that only savings from disarmament would really yield funds at the kind of level which would make it possible for SUNFED to be established, and to do the sort of things which the underdeveloped countries expected it to do, which is really more or less to operate on roughly the scale of the international bank, but on a grant rather than on a loan basis, and to tackle the sort of projects which it would not be possible for the international bank to tackle, such as in the field of what is normally regarded as social capital.

Mr. JONES: Is the special fund merely a reduction in size of the original SUNFED or are the objective altered?

Mr. GOLDSCHLAG: It is a reduction in size, but it is not intended really, as I have tried to suggest, to take the place of SUNFED which, when the conditions are right, I assume may yet be established. This is really to tackle a situation which may arise where there are good projects not monumental but of a fair size which, under its existing rules, the technical assistance program cannot undertake, but which are nonetheless helpful to underdeveloped countries, first of all in enabling them to assess the basis of their own economic development such as resource surveys and manpower surveys; and secondly, having been undertaken, might help to attract private capital for investment purposes.

Mr. MARTIN (*Essex East*): Would it offer assistance in the form of technical assistance?

Mr. GOLDSCHLAG: No, it may not be confined to technical assistance; and it is in this respect the special fund is intended to go beyond the technical assistance programme. For example, it will enable the establishment of training institutes. In other words, it is a physical plant of a training institute.

Mr. MARTIN (*Essex East*): But there would be no capital projects?

Mr. GOLDSCHLAG: Well, for example, resources surveys; not in the sense of a major capital project.

Mr. MONTGOMERY: Would these funds have to be maintained by an annual contribution?

Mr. GOLDSCHLAG: Yes.

Mr. MONTGOMERY: How many countries of the United Nations have contributed?

Mr. GOLDSCHLAG: To the special fund?

Mr. MONTGOMERY: Yes.

Mr. GOLDSCHLAG: All I know is that the sum for this year is just over $26 million, and I assume that the countries that have subscribed would be largely the countries that have also subscribed to the technical assistance program; they number 85. So it is a fairly broadly based contribution. I could not be sure that all the countries which have subscribed to the technical assistance program have also subscribed to the special fund.

Mr. MARTIN (*Essex East*): Are we giving any assistance now under the Colombo plan by way of loans rather than outright grants?

Mr. GOLDSCHLAG: I believe this is a question Dr. Ault will answer, but I do not believe we have given any assistance by way of any loans under the Colombo plan.

Mr. MARTIN (*Essex East*): Have any other Colombo plan countries given loans rather than grants?

Mr. GOLDSCHLAG: Not that I am aware of.

Mr. MARTIN (*Essex East*): Has not the American government proposed that?

Dr. AULT: Yes.

The CHAIRMAN: We will be calling item 98, the Colombo plan, later. Are there any other questions arising out of Mr. Goldschlag's statements?

Mr. MARTIN (*Essex East*): Where would estimated Sino-Soviet bloc credit arrangements come?

The CHAIRMAN: There was a question directed at the last meeting in regard to the comparison of the contributions of the western world and the communist countries relevant to assistance to underdeveloped countries. Mr. Goldschlag has prepared a statement for us this morning.

Mr. MARTIN (*Essex East*): But the question based on this would have to be addressed to Dr. Ault.

The CHAIRMAN: No, Mr. Goldschlag.

Mr. MARTIN (*Essex East*): I notice you have United Arab Republic here; I presume that the assistance given to the UAR was by way of military credits.

Mr. GOLDSCHLAG: Not entirely; about one-half of this was by way of military credits, the rest has been by way of development credits.

Mr. MARTIN (*Essex East*): None of that covers credits for the purchase of wheat.

Mr. GOLDSCHLAG: For Soviet wheat?

Mr. MARTIN (*Essex East*): For the purchase of wheat.

Mr. GOLDSCHLAG: I do not believe it does. For example, it would not cover barter transactions, wheat against cotton.

Mr. MARTIN (*Essex East*): I see there is now a proposal before the Congress of the United States for credits to the UAR in regard to wheat. Are we contemplating anything of that kind?

Mr. GOLDSCHLAG: I am not aware of it, Mr. Chairman.

Mr. MARTIN (*Essex East*): We had previously turned down credits to Egypt for the purchase of wheat and I was wondering what the situation is now?

Mr. GOLDSCHLAG: I am not aware, Mr. Chairman, of any proposal to make credit available to the United Arab Republic for the purchase of wheat.

Mr. JONES: Mr. Chairman, in respect to the estimated assignment of Soviet bloc credit, could Dr. Goldschlag furnish us with some data in connection with that?

Mr. GOLDSCHLAG: Only to some extent. Credit to Afghanistan initiated this program. Iraq is obviously the very latest in this program. There was an economic aid agreement concluded between the Soviet Union and Iraq last month providing for about the equivalent of $137 million worth of economic aid. There was an agreement on the provision of arms last autumn subsequent to the July revolution in Iraq.

Mr. JONES: What general period does this cover?

Mr. GOLDSCHLAG: A period from about the middle of 1954 to March, 1959.

Mr. HERRIDGE: What is the basis for these figures?

Mr. GOLDSCHLAG: The basis for these figures are figures that have appeared in United States publications, one of which I think was made available to the committee last year, called the Sino-Soviet economic offensive in the less developed countries. Although this is out of date now, there have been more recent figures provided in Lloyd Bank's Review and in various United States congressional committee looking into the mutual aid legislation.

Mr. CRESTOHL: I wonder if you can tell us whether or not the Soviets have made any contributions such as grants-in-aid or gifts apart from these credits which are listed here?

Mr. GOLDSCHLAG: As far as I am aware the only outright grants-in-aid have been given by China, not by the Soviet Union. I think there have been some gifts by the Soviet Union to Afghanistan and Burma. I believe the gift to Burma was coupled with an undertaking to make some gifts in return. I believe it would be fair to say that the very large bulk of these amounts would be for long-term credits for the delivery of goods from the Sino-Soviet bloc. What might be regarded as the aid element in these credits, is only the difference between the normal market rate of interest and the interest rate charged by the Soviet bloc, which is in the order of 2½ per cent.

Mr. CRESTOHL: But the capital payment is expected to be returned to the Russians.

Mr. GOLDSCHLAG: Yes.

Mr. CRESTOHL: These, of course, differ from the grants-in-aid which Canada and the other western countries are giving these countries which need the help.

Mr. NESBITT: In the non-military credits listed in the list which we are discussing, does it also include the proposed salaries of the technical experts from the Soviet countries?

Mr. GOLDSCHLAG: I believe that is not included.

Mr. NESBITT: That is free gratis?

Mr. GOLDSCHLAG: That is right. The numbers have actually increased quite considerably. I believe as between 1957, for example, when there were 1,600 Soviet experts abroad in various undeveloped countries, and the end of 1958, it had risen to something like 2,800.

Mr. NESBITT: Their remuneration is not included in this?

Mr. GOLDSCHLAG: I believe that is true.

Mr. MACQUARRIE: What goods would be involved in the extension of credit on the $10 million item to Turkey?

Mr. GOLDSCHLAG: I could obtain that, but I do not have the information with me.

Mr. GARLAND: I notice in giving this report you have indicated that the aid from the western countries was approximately double.

Mr. GOLDSCHLAG: Only from the United States, and only to this group of countries.

Mr. GARLAND: You used the expression, "This is a select list." These figures would indicate that aid from the United States is double. I wonder in respect of the real meaning of the word "select" could another list be selected which would show an entirely different picture?

Mr. GOLDSCHLAG: When I spoke of a select list I meant two things: one, that the period selected as a basis for comparison is a period over which the Soviet bloc has extended aid which is, of course, a limited period compared to say, the United States which began aid right after the war. Secondly, it is select in the sense that there is every indication that the aid efforts of the Sino-Soviet bloc have been concentrated in a select number of countries.

Therefore, in saying that this might be a little distorted, it is that you have here a group of countries which the Sino-Soviet bloc has singled out for special aid and in some cases, for instance in respect of Afghanistan, for relatively large amounts of aid. If a comprehensive list of countries from Asia and Africa were taken, the size of the United States contribution would be, of course, very much, larger, relatively, than that of the Soviet bloc. For instance, Pakistan is one nation, that is not on this list.

Mr. CRESTOHL: Have there been any loans or grants-in-aid by the western bloc to Iceland?

Mr. GOLDSCHLAG: Yes. I believe some form of help was arranged for Iceland about a year and a half ago under the auspices of NATO.

Mr. CRESTOHL: Would you know whether or not that would be before the time Russia extended this crédit of $10 million which is on your list?

Mr. GOLDSCHLAG: It was not before.

The CHAIRMAN: If there are no further questions, we will call item 98, Colombo aid, and Dr. Ault is our witness this morning.

SPECIAL

98 Colombo Plan ..... $50,000,000

Dr. O. E. AULT (*Director, Economic and Technical Assistance Administration, Department of Trade and Commerce*): Mr. Chairman, may we distribute copies of this statement that we have prepared, and also some additional papers?

The CHAIRMAN: Yes.

Dr. AULT: Mr. Chairman, these documents seem rather formidable in size; I hope that they will be satisfactory in material. We have already reduced the material which was to have been presented, as the previous hearing will indicate.

First of all, I should like to say that I have been director of this work for only three months, so that many questions might be asked which I could not answer easily. However, I do have with me a number of advisers and helpers, and I am sure that they will have the answers. With your permission, sir, I should like to read this statement.

Seven months ago, the committee was provided with detailed information on the progress or status of each capital project that the Canadian government has undertaken under the Colombo plan since its inception. The minutes of proceedings and evidence dated Thursday, August 7, 1958, has recorded this information, and while in the report this year we have brought the material

up to date we have not repeated a considerable portion of the detail on projects that have been completed. Thus the previous minutes may, for convenience, be regarded as a reference paper if questions are asked about completed projects.

The financial statement this year has one abridgment, but it is otherwise in the manner of that of previous years, so that comparative studies of distribution of costs can be made.

The report on technical assistance is a cumulative one. The totals rise yearly. An appreciation of the significance of this important part of the administration's work can be obtained from this report. By way of further explanation, we shall in future be reporting on what is now called the "Economic and Technical Assistance Administration", which includes Colombo plan, aid to the West Indies, assistance for Africa, and other related programs. These varied activities are now directed and operated from our branch in cooperation with the Department of External Affairs. We have undertaken the planning and operation of the West Indies program and have under consideration projects for Ghana and Nigeria.

If the various charts are now kept at hand I will say a word about each. The financial statement, as appendix A of this report, in table No. 1, shows that $231,670,704 has been voted for assistance under the Colombo plan up to December 31, 1958. That is indicated in table 1 at the top of that sheet.

Table No. 2 is a record of the funds which have been allocated to date, namely $218.9 million. Out of this total $188.6 million represents the liabilities incurred to date and $29.6 million the balance of these allocated funds which, while not as yet committed, will be required to complete the projects in hand, as noted under table 4B, and which is the last among this same little group of papers.

Table No. 3, the central one of this same group, shows technical assistance expenditures by countries and years. In this area of our work there were no country quotas, but obviously certain countries because of their resources were able to use or absorb technical assistance to a greater extent than others. The total amount used for technical assistance, just over six million dollars, in a later table is translated into numbers of trainees and experts.

I am not sure whether it would be more convenient to receive questions in respect of the financial part at this stage, or whether it would be better to have them after I have completed the statement.

The CHAIRMAN: What is the wish of the committee. Shall we continue?

Some hon. MEMBERS: Continue.

Dr. AULT: The next table, appendix B, shows the expenditures and allocations for the West Indies and Ghana. The first vote for these countries in 1957-1958 was of a token nature. This was increased to 1½ million dollars the next year and now in 1959-1960 is expected to be one-half million dollars for Ghana and other commonwealth countries not otherwise provided for, and ten million dollars over a period of five years for the West Indies. The funds for these countries to date have largely been used for technical assistance.

An itemized list of projects for Ceylon, India and Pakistan follows, as appendix C. There are three parts to this, each designated by the countries, Ceylon, India and Pakistan. The projects for each country are listed as completed or uncompleted. The history of the completed projects appears in last year's report. The uncompleted projects are listed for each of these countries, along with the allocation of funds, the years over which the project has been spread, and a brief account of the present status of the project. As stated earlier, many of these projects will be completed in 1959 or 1960.

The chief projects officer makes these general comments on the progress of activities in his division:

Our major capital projects are progressing well. Monthly shipments of commodities in the form of copper, aluminum and B.C.-fir railroad ties have continued to flow from east and west ports. Shipments of fertilizer will commence shortly.

Progress at the Warsak hydro project in west Pakistan has for the past year, in spite of difficulties in obtaining our full quota of cement, been nothing short of remarkable. The first unit, we hope, will be ready for testing by the end of this year and we look for completion by mid-1960.

Shadiwal, also in west Pakistan, was slowed down because of small shipments of cement. As our heavy requirements for Warsak ease off next month, this situation will correct itself.

Mr. JONES: Where does the cement come from?

Dr. AULT: Mr. Pratt will be able to answer this question.

Mr. F. E. PRATT (*Chief of capital projects section, Department of Trade and Commerce*): The cement comes from the Waad cement plant in west Pakistan.

The Kundah hydro project in India continues in a most satisfactory way, as it has from the time we signed the agreement. By October of this year we expect to have one unit of power house No. 1 on the line. Completion date is set for August 1960.

The Canada-India reactor, technically a very difficult project, has overcome some early difficulties and satisfactory progress is being made. Completion is expected early in 1960.

Our aerial resources survey in Pakistan has been completed and all the reports will have been turned over to the Pakistan government within the next few weeks. It has been stated that this project is the finest contribution to development in Pakistan undertaken by any agency.

In Ceylon the resources survey continues and the results have proved invaluable to other agencies engaged in development work in that country.

Our fisheries project in Ceylon is proving its worth, and we expect to hand over the operation of the refrigeration plant to the department of fisheries in May next."

The committee may wish to ask how so many projects on such large scales of construction, in such distant parts of the world, can be planned, directed and supervised by such a small staff. Credit in part is due to the Canadian Commercial Corporation, Defence Construction Limited, the officers of various technical departments of government, and tremendous goodwill on the part of Canadian engineering and construction firms.

Turning now to the cost of these statistical charts, the 15-page statistical report on technical cooperation programmes, appendix D, table No. 1 shows the numbers of trainees who arrived in Canada and departed, by years, since 1951. The total number of arrivals is 1,754. These were scholars to do postgraduate work at some university, and fellows who come for non-academic study for short periods so that they may take back to their work a knowledge of Canadian methods and experience. This table dates from 1950 to December 31, 1958 which commences on the next page.

Table No. 2 indicates that these scholars and fellows are sponsored by international agencies as well as the Colombo plan. Canada has become known as a hospitable country in which to study. The progress that Canada has made in many fields is now known to governments, to business interests and to educational institutions, and many scholars and fellows are attracted here to study the methods of our progress. The distribution shows that some 1,700 trainees have come from 85 different countries. At any one time there are about 250 of these trainees in Canada. They add culturally to the community in which they live here and help to widen the interest of Canadians.

Many organizations in Canada, like Friendship House in Ottawa, organize hospitality and entertainment for these visitors. Plans are under way to meet with some of these organizations across Canada and to discuss with them how more encouragement can be given to their work.

Table 2 is a rather long one, because it indicates the various countries from which these fellows and students came.

We have to move over several pages to table 3, which indicates the number of persons trained in Canada by the field of study and the agency for which the training was arranged. You will notice the great variety of interests represented by these students.

Table No. 3 shows the range of study of these trainees. A selection process takes place in the recipient country to insure that the field of study is significant in the country's development and that the study cannot, at the level required, be taken at home. We invite a panel of university professors in Canada to pass upon the applications of all scholars advanced by the various countries. These professors represent different academic disciplines and they have the goodwill and support of the universities' conference. They are joined on the panel by officers of government departments, who advise us on applications for special study, such as medicine, social welfare, agriculture, education and public administration. The method of selection of scholars is very similar to that used by the Canada Council.

The proposed commonwealth scholarship scheme under consideration will supplement the present technical cooperation plan in two ways, first, by providing for applications advanced by individuals without the need of government support, and second, by adding a range of acceptable areas of study beyond that covered by the Colombo plan.

It is hoped that the statistical reports which have been presented will be of interest to the committee. The officers who are responsible for this part of our work, i.e. technical cooperation, have had years of experience in this work, almost covering the period of the Colombo plan itself. They are responsible to me for the selections that are made, for the placing of students, all administrative matters and many personal ones affecting the lives of students as well.

There is a final one which is the last sheet of this group.

Table No. 4 in this series should be especially noted. It shows, by countries, the numbers of experts from Canada sent abroad each year.

We have been talking previously about people from other countries coming to Canada. Now we discuss the experts who go abroad.

These are specialists in their fields sought for the knowledge and experience they have had, that they may bring these to a country where the need is great and the resources are meagre. These officers really go there to teach and to advise. They do not go just to fill a vacancy or to operate an office.

While the country concerned has to state specifically what its need is, there are occasions when the type of assistance sought seems to be too specialized or even premature. In these cases, which are now rare, negotiation with the country concerned results and some adjustment is made in the type or timing of the request.

These experts, as they are called, when they go abroad really become unofficial representatives of Canada and its way of life. They go usually with their families, live in the country, even in remote parts at times, and help in many more ways than those listed in their terms of reference. They form a link between new nations and Canada that has great value.

Specialists in many fields are still in short supply in Canada and a considerable process of recruiting must go on when a request for a specialist comes.

Recently a radiologist was needed in a certain country to develop a clinic which centred around a cobalt beam deep therapy unit which was sent from Canada. There was a double concern, first that the unit, which we had supplied, go into effective use as early as possible, and second that others be trained so that therapy and not injury result. A doctor was found to set up the clinic and now a second doctor, who is a specialist in this field, is being recruited to carry on the work of operating the clinic and training the staff. Three native doctors are being trained in Britain in the medical aspects of radiology, and two of these will come to Canada to visit clinics in operation here. They will in about a year from now take over the clinic and the Canadian staff will return to their work in Canada.

Experts who go abroad have a third responsibility, and that is to prepare a report on the progress and results of their work, partly so that it may remain in the country for the guidance of those who follow, and partly that we may have a record of the methods used, the problems and the effects of their visit.

Finally and in conclusion, these countries that we are trying to assist with our capital aid, our commodities, our gifts, our educational programmes and our technical aid, are of great significance in the world today. The countries of South and South East Asia, the West Indies and Africa need our help and the help of nations that believe in human liberty. The methods of giving assistance may vary. The purposes remain constant: to relieve poverty, to cure disease, to correct unstable conditions, and to bring to these less developed nations tangible assurances of our interest and our cooperation.

The CHAIRMAN: I feel certain we have listened with a great deal of interest to the statement of Dr. Ault, and the immense amount of material and comparisons he has supplied to the committee.

As Dr. Ault pointed out, it is only during the past three months that he has been director of Colombo plan aid, but he has with him many experts who are well versed in their particular field of endeavour, and who are now ready to answer questions dealing with the Colombo plan.

Mr. KUCHEREPA: My question relates to part of the report on page 4, where I quote:

> Our fisheries project in Ceylon is proving its worth, and we expect to hand over the operation of the refrigeration plant to the Department of fisheries in May next.

I wonder if Dr. Ault would comment on the degree of operation, and whether this project is operating at full capacity or not? What is the general turnover?

Dr. AULT: I think the answer is that it is not, but I would like Mr. Pratt to say a few words.

Mr. PRATT: I think at certain seasons of the year it does not operate at full capacity. The most valuable thing it is directed to do is to even off the cost of fish in Ceylon at all times of the year. I think that at no time is it operating under 60 per cent capacity. We have been tapering off the staff for some little time. There is only one Canadian left, apart from the skippers of the trawlers.

Mr. KUCHEREPA: You would not think that its original plan was oversized?

Mr. PRATT: I think it is probably undersized, the way things are going now. What we are working on now is the marketing of frozen fish. We have an expert out there on that now.

Mr. HERRIDGE: Dr. Ault, could you just explain to the committee how decisions are made in respect of the suitable projects to be undertaken in various countries—the procedure, and who makes the final decision?

Dr. AULT: The recipient country submits a list of possible projects in which Canada—and I am sure they do it to other countries as well— might be interested. There are various criteria that go into the determination of whether we should choose one project rather than another. An important one, of course is, have we the money to spend on this project? Others, of course, are: is the project really necessary; is it feasible; is it economical; is it something that the country can support after it takes on the recurring expenses, if there are any that would accrue?

There are other factors that go into it. But at some point we must have made what we might call a feasibility study, which could be made by experts in this particular field going from Canada. Probably this would frequently include not only technical persons but economists as well. If the project seems —shall we say "feasible"—then approval is sought from our government to go ahead with it.

The first stage of going ahead, of course, would be an engineers report. That would probably be in the form of actual design or plan of construction. It might even be a preliminary report. After that, tenders are called and the project proceeds. Does that answer the question?

Mr. HERRIDGE: The government makes the final decision?

Dr. AULT: Yes.

Mr. HERRIDGE: On the recommendations of the officers concerned?

Dr. AULT: Yes.

Mr. SMITH (*Calgary South*): Dr. Ault, we hear from time to time from people who have visited the Colombo Plan countries, who have expressed concern that, while the governments of these countries, the technicians and the academic institutions, are very well aware of our work and the contribution which Canada makes to each member country, it is not always known to the public.

I wonder if you could express a view as to whether you are satisfied that this information filters down to the public?

Dr. AULT: Do you mean, the public of the country concerned, or Canada?

Mr. SMITH (*Calgary South*): I am interested, in fact, from the standpoint of all economic aid or monetary aid; but let us deal with this group. Do the ordinary people have a grasp of the work and the contribution we are making? I am concerned about the good propaganda value, as well as the fact that it will bring these countries up to economic maturity. In other words, are we promoting this at a level which the people of these countries can understand as well? Do they understand—that is my point?

Dr. AULT: I would have to venture an opinion. I think Mr. Martin, and several other people who have recently visited the country, could give a better answer on this than I can. But I would offer this view. It is very difficult, in a country as large and as heavily populated as India, to try to assess what public opinion is. The media for developing it, if it were possible, are totally inadequate. Also, I think that in remote regions the people are just not capable of having an opinion. For centuries their concern has been to survive, and it has not completely disappeared. I have myself been in Africa, and I know how difficult it is to try to get an impression of what people think, or try to improve the methods by which people could be convinced.

What we should do about is exercising our minds, definitely. If there is a local project, such as Warsak, I am sure that millions of people in the area are aware of it and are aware that it is being built by Canada. At one time almost 10,000 local people were working on it, so the families are aware of it. But I would very much doubt whether the fact that Canada has built a dam at Warsak would have any effect on the minds of a remote village in east Pakistan.

As far as credit for this is concerned, I am sure that our missions abroad take the necessary opportunities to have public recognition made of contributions to or official openings of these various projects. I think, as well, that our experts who go abroad do an excellent job on public relations. But beyond that, to say that the total effect is that all the people are aware of what we are doing is, I think, very doubtful. I think you would understand that.

Mr. SMITH (*Calgary South*): Yes.

Dr. AULT: But it may be an area in which we could do considerably more than we have done, and certainly we will attempt to do it.

There is another side of this, of course, Mr. Chairman—without making this too long—and it is, does Canada know what is being done abroad under the aid programs? I think we can do considerably more in telling the people of Canada how this operation works. There may be a tendency to think that our gifts are gifts of money; but actually no actual money is involved. They are goods and services. The goods, in large part, are made in Canada by Canadian workmen and then go abroad for service in the country concerned.

Mr. CRESTOHL: Is there any branch of the department under your jurisdiction that is devoted to publicizing this in Canada?

Dr. AULT: We are developing one.

Mr. CRESTOHL: Has it yet commenced operations?

Dr. AULT: Well, it is beginning today, sir.

Mr. NESBITT: There is a question I would like to ask, Mr. Chairman, and it is this. There is a general feeling abroad in Canada, with regard to the public generally and very well-meaning groups of people, that countries such as India and Pakistan can absorb almost unlimited quantities of foods of various varieties such as wheat, milk powder and the like. I realize that there have been, in certain instances, famine and flood conditions and those countries have been very anxious to obtain certain foods for relief and other purposes.

I know there has previously been certain resistance, shall we say—quite properly—regarding countries receiving very large quantities of certain food. Would you care to comment on that?

Would you comment particularly with respect, first of all, to the possibility of certain religious objections to consuming certain types of food in those countries—the fact that people, because of habit and custom, are unfamiliar with, say, the consumption of wheat or drinking milk. If, in fact, large quantities of food for a period of two or three years and then the food is not available might it create a problem with the government of a country such as India? Would it not create a problem at home for the government of India if, for a period of two or three years, large quantities of wheat or milk powder were shipped from the United States or Canada, and then, because of production circumstances, such foods were not available for a period of a few years?

In other words, people become accustomed to consuming new varieties of food for a period of two or three years and then the food is not available as a gift. Might that cause a problem for the government of the country concerned?

Dr. AULT: Yes. I think we are all aware that, with some exceptions, these countries are not able to supply their own food. As we know, the amount that a native eats, compared to our calorie content, anyway, is very small. So I think we could assume that they need food.

Some eat rice; some eat wheat—and there is a fair dividing line between the two. We could probably leave out the rice-eating area, except where some sections of a particular country eat wheat and others eat rice.

These Colombo plan countries do not have facilities in most cases—and I am generalizing because I think that is what you want me to do—for storing

quantities of food to keep them over famine years in cases of shortages. We are having a study made to see how much they could store, if it were available. There is never, of course, any attempt to force food products on countries where there would be any kind of religious objection to it. In fact, I must say that I have never really run into the question, although we do know that certain religious groups in certain countries eat some foods and some do not.

There is, however, if these countries need food and they cannot store it themselves, and they do not have money—which, in the case of wheat, in considerable measure, means dollars, or even sterling—they are, reasonably happy under the circumstances to receive it as a gift.

As to the supply of wheat developing new habits of eating, it may be a problem over the years, and those who are concerned with trade have been aware of this problem. They know that there might be a demand beyond what could continuously be supplied—but I do not know the answer to that.

However, at the moment the main problem is to try to supply the needs of the country, in view of the fact that they are short of food, that they are not producing enough, that they do not have storage space and do not have dollars or sterling with which to buy it.

Mr. NESBITT: That pretty well answers what I had in mind, although there is one further question I would like to ask. It is fairly self-evident from the requests made that the countries in question know what they can store, what they can use and what is necessary.

The reason I asked the question was because there is a general view abroad on the part of lay people that these countries can accept almost unlimited quantities of commodities such as wheat or milk powder, or things of that nature. But it would seem, for the reasons you have stated, that is not entirely the case and there are certain limitations.

Dr. AULT: This is right.

Mr. HERRIDGE: I would like to ask a question with respect to the trainees who come to Canada to advance their education in various respects. Would you give us the details of the per diem allowances which are allowed these persons for living expenses, and also their transportation expenses.

Dr. AULT: Mr. Bartlett will answer this question.

Mr. D. W. BARTLETT (*Chief, Technical Co-operation Service, Department of Trade and Commerce*): The per diem allowance depends on the type of course the trainee is following. We have about four rates depending on the level at which a university student is working, he would get $140 or $150 a month. The rates vary upwards to a maximum of $360 a month paid to an individual who comes on a short tour, which requires him to travel constantly. Most of these people are not what you normally think of as students; they are fairly senior professional men who come to look at laboratories or other special facilities that we have here in Canada; and that high rate category is fairly small. In addition, we pay for their tickets here in Canada, usually rail tickets, for their intercontinental transportation. There are certain provisions for medical expenses if they are sick. If he goes to University he is allowed his fees. Generally speaking, including transportation and everything else, it costs something of the order between $4,000 and $4,500 per twelve-month year to bring someone to Canada, keep him here that long and get him back home again.

Mr. HERRIDGE: You mentioned $140 a month. Have you the figures for the number who were paid at $140 a month and the number who receive over $300 a month? I am thinking of the old age pensioners when I ask this question.

Mr. BARTLETT: Roughly 25 per cent.

Mr. HERRIDGE: Would get the $300 a month or over?

Mr. BARTLETT: No, that is the percentage who would get the $140 a month. In terms of man-months there would probably not be over 10 per cent who would get the higher rates. I say in terms of man-months because most of them come to Canada for only two or three months; so in terms of actual numbers coming it would be higher than that. There are only estimates, but I can obtain the figures for you, if you wish.

Mr. HERRIDGE: Would you get those figures?

Mr. BARTLETT: Yes.

Dr. AULT: University students would tend to get $140.

Mr. BARTLETT: As undergraduates, $140, and the ones doing post-graduate work get $150. This is a small recognition, as their costs will be higher.

Mr. SMITH (*Calgary South*): You mentioned the word "students" and the proportion of the number of persons involved in giving technical assistance. The reason I am asking the question is that I see we have a relatively small number of oil technicians and I am thinking more of conservationists. Are these purely students, or do they have some experience in the field of conservation?

Mr. BARTLETT: I think you could take it that roughly one-third of the trainees in Canada at any one time are students in the sense they are working at universities.

Mr. SMITH (*Calgary South*): They would not be graduate petroleum engineers?

Mr. BARTLETT: No, the other two-thirds are in the fellowship category and they are coming for relatively short periods to study a whole range of subjects; surgical techniques, how to administer customs acts, public administration, cement manufacture and the range of studies illustrated on the table in the material.

Mr. SMITH (*Calgary South*): The question which comes to my mind is: are these students making a contribution or developing their own experience. In other words, in dealing with the case of conservationists, do they make any useful contribution to the country concerned in the field of petroleum conservation, or are they really just under training?

Mr. BARTLETT: I think as a general rule, so far as their work here in Canada is concerned, they are under training. But virtually everyone who comes to this country, with the exception of a technical group which is in a special category, is sent by his own government so he can go back and perform his job better.

Mr. MACQUARRIE: I have two questions on this general subject; one is minor. I am interested in what the students from Harvard University are doing here. My second question is more significant. It is quite noticeable in the non-self-governing territories, especially Africa and among the trust territories we find at the United Nations, that a great many of the new political leaders are people who have been trained in the Soviet Union and especially in Czechoslovakia. I notice that we have very few students and trainees in Canada from these areas. There is one from Togoland and twenty from Tanganyika. I am wondering if these small numbers stem from the fact that our facilities or our invitations are inadequate, or whether there are not overtures from those areas in this direction. I believe this is an important area of usefulness which might be further developed by us.

Mr. BARTLETT: In answer to your first question in connection with the Harvard University group, I should say our services are generally available to help with training in Canada any people who want to come here and for which the government takes a broad and official interest. The group from Harvard

University were taking a special course in taxation policy. This was a special course arrived at in cooperation with the United Nations. We have a good many students, who come here from United States. The director wanted to bring them up here to Canada to give them an example in the way things are done. My office made the necessary arrangements for them here. I should say that in regard to this group and the other United Nations groups, we did not pay out any money to the students. We provided the administrative services but the costs were provided by the responsible agency.

In regard to the other question, the persons who have come to Canada from Africa in the past have come largely under United Nations auspices, one of the specialized agencies or the technical assistance administration; and the people we look after here are the ones the United States ask us to look after. If the training they needs is the sort of thing that they can get here, and the United Nations feels they can send him to Canada, they write to us and we arrange the program and look after them. Here again the United Nations, Technical Assistance pays all the bills except administration. With the new decision to establish an allocation and a program for commonwealth areas not otherwise provided for, it should make it possible for us to take the initiative and I hope next year the figures will show a change.

Mr. CRESTOHL: Those countries are benefiting from Canada's contribution, under the Colombo plan especially; they benefit from their operations or constructions. Can you tell us whether there are similar works going on in these countries initiated or financed by the Russians?

Dr. AULT: Do you wish to take this question, Mr. Goldschlag?

Mr. GOLDSCHLAG: Mr. Chairman, the answer to that question is, yes. Take, for example, India. The Russians have just completed a very large steel plant, along with the Germans and the British who are also building large steel plants. But India is one country where the Russians are embarking on very large works. The committee might be interested to know that some years ago Canada built a relatively modest hydroelectric plant in Assam and local demand for power has developed steadily since that time. And just about at this time this year there will come into operation, to operate on Canadian power, an oil refinery which has been built for the Indians by Roumania.

Mr. CRESTOHL: That makes the observation which Mr. Smith mentioned before all the more important. There is sort of competition work going on in order to win the favour of the masses of the people in those countries and I think, therefore, that your new scheme you are setting out on today to let the Canadian people know precisely what we are doing is rather significant. I wonder, Dr. Ault, whether apart from the statistical information which members of parliament receive from time to time whether you could take this committee into your confidence and give us some indication what you propose to do to make this information more widespread to the general public in Canada.

Dr. AULT: Well, I do not know whether it is a matter of confidence or a matter of timing because we have had many things to think about in the two or three months in which I have been director.

Mr. CRESTOHL: I mean to suggest that you take us into your confidence. I do not want you to tell us anything confidential, but tell us about it.

Dr. AULT: There are two or three methods of acquainting the people of Canada with what we are doing abroad. One, of course, is when machinery for a large project is being manufactured here, as it is frequently, there should be a public announcement that the machinery is ready to be shipped. Some of that has been done. When trainees come to Canada it should be possible for them to appear on radio and television to tell something about their country,

and the value it is to them to be here. I have also discussed with the C.B.C. the possibility of producing a program, probably for next fall, which would give some pictures of our operations in these countries and a commentary on Canada's part in this work. We have also had some discussions about producing a film. Films have been made on the projects that are being constructed in Asia, and I am sure these will be used. We want to provide some films for schools, universities or discussion groups so that they can see films with the proper commentary.

Mr. CRESTOHL: Are you doing any syndicated articles or regular news releases in the press of Canada.

Dr. AULT: The press seeks its own time and uses its own resources in this regard. We, of course, are very willing to help by supplying them with material. However, we have not asked them to run any particular series.

Mr. JONES: Mr. Chairman, I have two questions. My first question has been discussed between Mr. Herridge and myself. We notice under the types of studies that are being undertaken by students in Canada one called helminthology. Perhaps you might tell us what helminthology is before I go on to the next question.

Dr. AULT: I will have to refer that to the experts. I hope that they know. Could we have the second question?

Mr. JONES: The second question is what consideration, if any, has been given by the contributing nations of the Colombo plan to encouraging private investment in the recipient countries?

Dr. AULT: Do you mean private investment from Canada?

Mr. JONES: From Canada and from other contributing Colombo plan nations. Has that been discussed? Have any plans been formulated by which the tremendous resources of private capital might be made available to Colombo plan nations, either by having their investments guaranteed in some way or by pointing out the methods by which opportunities for investment might be made known to private enterprise.

Dr. AULT: I think this is really a question for the Department of Trade and Commerce. Members of the committee are aware of the export-import insurance scheme which may or may not cover it. They are probably also aware that certain commodities and materials that go into construction under the Colombo plan are in demand afterwards. For example, we have supplied Otter aircraft for surveys, and there has been some private demand in the country for more planes, which could not be supplied free because we did not have the Colombo plan funds. As for encouraging trade relationships that does not quite come within our sphere. The results that I have mentioned are probably incidental to what we are trying to do. However, it is an interesting thought.

Mr. JONES: It is quite interesting to Canadians in order to provide work in Canada and opportunities for private investment.

I notice at page 186 of the seventh annual report of the consultative committee of the Colombo plan, it deals with some of the contributions which have been made by private organizations. The list given there is not at all in the nature of the encouragement of which I was speaking. It is more in the nature of direct grants by foundations and so on.

Mr. MARTIN (*Essex East*): Would you agree that there have been discussions indicating there were certain sectors where private investment might do something to make a contribution which governments were unable or unwilling to do? As an example, for instance, in the past the Department of Trade and Commerce in Canada has had discussions, I know, with individuals who were interested in prospecting investment in oil in a country like India.

While Canada has not sought to interfere with the policy of the government in that respect, they have pointed out that if the government of India gave guarantees beyond the 10 per cent area for taking advantage of any exploration undertaken by private capital—in this instance Canadian capital—there would be greater encouragement. There is a lot of effort like that going on.

Mr. GARLAND: I was interested in your reference to your belief that greater publicity should be given in Canada to the activities under the Colombo plan. I am wondering if it would be a fair question to ask when a decision was made to intensify our publicity in Canada, by whom and what sort of a budget will be provided for this to speed up the publicity?

Dr. AULT: I think the answer is it exists in people's minds at the moment. There is no special budget for it.

Mr. GARLAND: But the decision has been made to intensify the publicity. Is that right? That is what I understood from you.

Dr. AULT: But you are putting it probably more formally. There has always been an amount of publicity and public relations.

Mr. GARLAND: I realize that, but I gathered from your remarks it is now intended to intensify it.

Dr. AULT: Yes. I could not give the day, or the hour, or the method. I think it is a point of view which has developed, which we have discussed, and which seems to be necessary.

Mr. SMITH (*Calgary South*): The report states that our aerial surveys have been extremely successful. First of all, the reason for that is because our experience in Canada is broad in the field. This is a contract which is now concluded. Is there something more we are doing in this field, either here in Colombo or in other areas? Secondly, as far as the report here is concerned, you have used only one company. Is there any suggestion of using a second company, or how is this determined?

Mr. PRATT: The Ceylon survey has been extended. The Pakistan one, and a small one in India, are being extended. The Ceylon survey is a resources survey. As far as contractors are concerned, we have only used a Canadian contractor and any number of Canadians on one contract. Our plan, for instance in hydro projects, has been to undertake to provide the generating equipment and to supervise the construction.

The Kundah hydro project is an example. Here the department of electricity in Madras have undertaken all the civil works; they have 10,000 persons working and we are providing the penstocks, turbines, generators and the transmission line to Madras.

Mr. SMITH (*Calgary South*): I am speaking primarily of aerial magnetic surveys.

Mr. PRATT: There are no new ones in the offing at the moment. There is one survey on the Mekong river. That is largely aerial mapping. It is not an aerial magnetic survey.

Mr. SMITH (*Calgary South*): That is the last one, $1¼ million?

Mr. PRATT: Yes.

Mr. CRESTOHL: In respect of this publicity of the work which Canada is doing under the Colombo plan, is your committee which is studying this matter also considering the severe criticism from Canadians in a certain part of the country with reference to Canada's having spent so much in foreign aid and having spent so much money to assist countries abroad. There is an element of negative thinking in that way, especially from those holding short-range views.

Dr. AULT: I think the answer is obvious, that one has to keep that in mind. One has to keep the public here informed as well.

Mr. CRESTOHL: I agree with you. However, I am speaking from experience and I have heard severe criticism against the government for spending money on things abroad, when there is so much unemployment and so on in this country. I think the committee has to consider that very seriously.

Dr. AULT: Quite.

Mr. MARTIN (*Essex East*): I was interested in the question Mr. Smith raised, but for another reason. The project on the Mekong river was done by Sparton, the same company which did the one in Malaya. Mr. Smith was concerned with why the work was all given to one group. I am aware of the work by Sparton Airways in Malaya, and I understood they were the only one which did that work. Are there others?

Mr. PRATT: Yes, there are about six large companies.

Mr. MARTIN (*Essex East*): How is this work given out?

Dr. AULT: We have made a survey of the companies which might be able to participate in this. I think that the job is so large they will all be participating in it. For example, up to 50 per cent of all the special equipment for reproducing the maps which is now installed and available in Canada will be needed for reproducing the maps from this area. It would obviously be desirable to use all this equipment rather than to have any one company advance its facilities beyond what it might be expected normally to use.

Mr. MARTIN (*Essex East*): Is the project on the Mekong river a continuation of a project already in existence and supported largely by Australia? Is that the one?

Dr. AULT: It is a part of it.

Mr. MARTIN (*Essex East*): Is it the first larger project in which we have engaged in Indochina?

Dr. AULT: Of this proportion, yes.

Mr. MARTIN (*Essex East*): When I was there we had been giving very little assistance to Vietnam, Cambodia and Laos. This raises in my mind another question. The assistance we give to these countries is of course without any strings attached, and we are proud of that fact, because it distinguishes us from the Soviet Union.

However, there are other areas in the world where there are no programs in which we participate at all, but where the Soviet Union is making great advances. I am wondering if there would not be some opportunity some time, Mr. Chairman, for us to give consideration to other avenues where we might explore the dangers involved. I am thinking particularly of the Middle East where the present news indicates the tremendous hold the Soviet Union is gaining, and the west is doing nothing.

Would you give consideration to that in the steering committee?

The CHAIRMAN: Yes.

Mr. MARTIN (*Essex East*): So that we would have an opportunity to bring this up and discuss this matter at some time.

Mr. NESBITT: Is Mr. Martin referring to the Colombo plan areas or other areas?

Mr. MARTIN (*Essex East*): I was thinking of other areas. The Colombo plan area is essentially south and south-east Asia and is now extending into Indochina and Indonesia. I am thinking particularly at the moment of the Middle East and Africa.

I am sure the situation in the Middle East is one of the most worrisome situations. What is happening in Iraq is happening in front of our eyes and the Russians are the only ones who are giving any kind of assistance. The Americans and the British have offered assistance through the United Nations and nothing is being done. It seems that is something which should be engaging our attention at some time.

The only reason I raise this now is in order that the chairman might find an opportunity for us to raise this matter.

The CHAIRMAN: Item 104 which we passed some time ago has to do with technical assistance to commonwealth countries and territories other than those eligible for assistance under the Colombo plan or West Indies assistance program. At that time we voted $500,000 which was an increase of $365,000.

Mr. MARTIN (*Essex East*): Those are areas which already are covered by schemes of one kind or another. I am particularly referring to critical areas where we are doing nothing. I do not mean Canada alone. I mean areas where the west is doing nothing. I would like to inquire as to what is our thinking in that regard.

The CHAIRMAN: I think that brings in the question of policy on the part of the government.

Mr. MARTIN (*Essex East*): There is no doubt that it is policy.

The CHAIRMAN: The only item that is open now is that of the international joint commission; you will recall the late Dr. Smith asked that one or two questions be set aside until he could return, probably at the last meeting of this committee. It would seem to me that a question of policy is a pretty difficult one to consider at this particular moment.

Mr. MARTIN (*Essex East*): I agree.

The CHAIRMAN: In the light of the circumstances, we will certainly take note of it and see what can be done.

Mr. JONES: Before we get off this subject of making Canada's contribution known in the areas where we are making a contribution, the Russians have the hammer and sickle stamped on their goods, such as diesels, trucks or whatever it is that they supply. They use the hammer and sickle as a symbol. It seems to be very effective in order to get the idea across of where it comes from. Are we using the maple leaf or something similar?

Dr. AULT: We have prepared a plate for each piece of large equipment and on it we have a maple leaf, as well as aid from Canada under the Colombo plan. For smaller equipment we have a smaller design, the device of a maple leaf and "Canada aid under the Colombo plan." I would not say that every article is now completely marked, but there has been a very definite attempt to have all marked.

Mr. PRATT: All construction equipment used on big jobs is marked, identifying Canada and the recipient country. We use the maple leaf and Colombo plan, or Canada-India, or Canada-Pakistan. We always associate ourselves with the recipient country, and our part is identified by the maple leaf.

Mr. CRESTOHL: I see from the figures for 1958-59 that in all these countries to the greatest extent by far, 75 or 80 per cent of our contribution has been made in the form of food or supplies; fertilizer, $2½ million; wheat, $5 million; railway ties, $2½ million and so on. That is quite all right. For India that is all right, and it is highly desirable for the other countries, the Pakistan portion, where I see mention of wheat, and transmission lines.

I point this out from my standpoint, that I feel it is highly desirable that we must keep people alive. That is the first thing which concerns us. But does that produce the same degree of favourable publicity for Canada with respect to showing that these things come from Canada? Are the people aware of it?

Surely, if we are doing a construction job there must be trucks used, and some locomotives. That is fine. But there seems to be little value in the publicity that way. Are we spending our contributions, the greatest portion of them, in a way that we can get that publicity by method or by design? It is important that the people who get our wheat should know that it comes from Canada, and that Canada is helping to keep them alive.

Dr. AULT: As far as India is concerned—and I must ask my financial expert to interpret this for me—the total is $101,815,000, and of that amount $22 million was for wheat; $26 million was for non-ferrous metals and commodities and $2.5 million worth of fertilizers. It is somewhat under by 50 per cent.

Mr. CRESTOHL: Non-ferrous metal is all right; but when the aid is in the form of supplies such as railway ties, unless each railway tie has a symbol on it, how can you tell?

Dr. AULT: There has been a demand for non-ferrous metals because of the shortage of dollars to purchase such metals; otherwise the factories which they set up could not run.

Mr. DINSDALE: A moment ago there was an observation made—I am not sure whether it was by Dr. Ault or by Mr. Bartlett—to the effect that we were considering independent operation of a service to bring Pakistan students to Canada to train. That point was not enlarged upon. How far has that consideration gone?

Dr. AULT: Funds have not been available up until this last year. Now that funds are available for Africa, a letter is going to the colonial office in respect to the colonies, to the effect that we have that we would receive applications from these areas. When new countries come to a state of independence, there will be direct relationship with them, and they will be invited to submit their requests for technical assistance.

Mr. DINSDALE: Will this student training program be in addition to the other agencies program?

Dr. AULT: It will be strictly a Canadian program. You mean by "other agencies", the United Nations technical program?

Mr. DINSDALE: Yes.

Dr. AULT: No; this will be strictly Canadian, the same as Colombo plan assistance.

Mr. DINSDALE: It is a new program.

Dr. AULT: It is an extension of the Colombo plan, but it comes under the special vote for African countries. In the West Indies the program has already started.

Mr. MARTIN (*Essex East*): You administer more than the Colombo plan operation?

Dr. AULT: That is right.

Mr. MARTIN (*Essex East*): You have all the West Indies?

Dr. AULT: Yes, and the Africans as well.

Mr. MARTIN (*Essex East*): The only extension, such as I indicated earlier, would come under you?

Dr. AULT: That is right.

Mr. MARTIN (*Essex East*): You would not want to say anything about what I injected a few moments ago, when the chairman quite properly thought that it was policy?

Dr. AULT: We only do that for which we have funds, and that comes within the policy we are administering. We could not go further into policy.

Mr. DINSDALE: How many students might be involved in this scheme?

Dr. AULT: I would not be able to judge how many. We are trying to have students come at the post-graduate level; but some of those countries do not have many students at this level to send abroad. However, as in the case with some of the eastern countries, it may be possible that we have some come at the under-graduate level. We should also keep in mind the commonwealth scholarship scheme, which will probably come into operation this year, and which might provide for a quite large number of students.

Mr. HERRIDGE: Could you explain what this helminthology is? It rather intrigues me.

Dr. AULT: I do not have the answer.

Mr. HERRIDGE: Could you let us have information on what the subject is, which university in Canada teaches it, from what country the student came, and in what way it serves the rehabilitation of the country?

Mr. CRESTOHL: And in what dictionary it can be found?

Dr. AULT: We will get that information for you.

The CHAIRMAN: If there are not further questions, is item 98 agreed to?

Item agreed to.

Gentlemen, before we adjourn, the next item of business to be taken up on Thursday is that relating to the International Joint Commission.

The committee adjourned.

# APPENDIX 1

## CANADA'S POST-WAR FINANCIAL ASSISTANCE ABROAD 1945–1960(1)

(Millions of Canadian Dollars)

| | Expenditures to March 31, 1957 Total | | Expenditures Year 1957/1958 Total | | Estimates Presented to Parliament Year 1958/1959 Total | | Estimates Presented to Parliament Year 1959/1960 Total | | Total Expenditures (including estimates(2)) to March 31, 1960 Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. RECONSTRUCTION LOANS: | | | | | | | | | | |
| Belgium | 68.84 | | | | | | | | 68.84 | |
| China | 64.97 | | | | | | | | 64.97 | |
| Czechoslovakia | 16.67 | | | | | | | | 16.67 | |
| France | 253.45 | | | | | | | | 253.45 | |
| Netherlands | 123.95 | | | | | | | | 123.95 | |
| Indonesia | 15.45 | | | | | | | | 15.45 | |
| Norway | 23.66 | | | | | | | | 23.66 | |
| United Kingdom | 1,185.00 | | | | | | | | 1,185.00 | |
| U.S.S.R. | 15.16 | | | | | | | | 15.16 | |
| Suez Canal Clearance | 1.00 | | | | | | | | 1.00 | |
| | | 1,768.15 | | | | | | | | 1,768.15 |
| 2. SPECIAL LOANS: | | | | | | | | | | |
| Colombo Plan countries for purchase of wheat and flour from Canada | | | 16.20 | 16.20 | 18.80 | 18.80 | | | | 35.00 |
| 3. MILITARY RELIEF: | | | | | | | | | | |
| Balkans, Belgium, Denmark, France, Italy, Luxembourg, Netherlands, Norway | 105.22 | 105.22 | | | | | | | | 105.22 |
| 4. GRANTS: | | | | | | | | | | |
| (a) *To International Agencies & Programmes* | | | | | | | | | | |
| UNRAA | 154.00 | | | | | | | | 154.00 | |
| Post-UNRAA Relief | 11.85 | | | | | | | | 11.85 | |
| Intergovernmental Committee on Refugees | .24 | | | | | | | | .24 | |
| IRO | 18.82 | | | | | | | | 18.82 | |
| ICEM | .10 | | | | .06 | | | | 1.60 | |
| UNREF (Refugees) | .40 | | .20 | | .20 | | .29 | | 1.09 | |
| UNICEF (Children) | 10.03 | | .65 | | .65 | | .65 | | 11.98 | |
| UNKRA | 7.75 | | | | | | | | 7.75 | |
| UNRWA (Palestine Refugees) | 4.54 | | .75 | | 3.50 | | .50 | | 9.29 | |
| EPTA (Technical Assistance) | 7.11 | | 1.93 | | 1.98 | | 1.93 | | 12.95 | |
| United Nations Special Fund | | | | | | | 1.93 | | 1.93 | |
| IAEA (Operational budget) | | | | | .07 | | | | .07 | |
| International Relief Agencies & Organizations (Dried Skim Milk) | | | | | .95 | | | | .95 | |
| Total | 214.84 | | 3.53 | | 7.41 | | 5.30 | | 231.08 | |
| (b) *Colombo Plan;* Capital and Technical Assistance, Total | 162.27 | | 34.40 | | 35.00 | | 50.00 | | 281.67 | |
| (c) *Special Relief;* | | | | | | | | | | |
| European Flood Relief (1952) | 1.00 | | | | | | | | 1.00 | |
| Greece (wheat—famine relief) | .85 | | | | | | | | .85 | |
| Greece (earthquake relief) | .50 | | | | | | | | .50 | |
| Korea (fish) | .75 | | | | | | | | .75 | |
| India, Pakistan, Nepal (food & drugs—flood relief) | .23 | | | | | | | | .23 | |
| Haiti (fish—hurricane relief) | .03 | | | | | | | | .03 | |
| Japan (food—flood relief) | .04 | | | | | | | | .04 | |
| Yugoslavia (fish) | .04 | | | | | | | | .04 | |
| British West Indies (flour—hurricane relief) | .05 | | | | | | | | .05 | |
| India (medical supplies—flood relief) | .05 | | | | | | | | .05 | |
| Pakistan (wheat, medical supplies—famine, flood relief) | 6.53 | | | | | | | | 6.53 | |
| Hungarian Refugees (transportation and other assistance) | 10.51 | | 11.14 | | 7.68 | | 3.10 | | 32.43 | |
| India, Pakistan and Ceylon (wheat and flour relief) | | | 2.00 | | 26.50 | | | | 28.50 | |
| Total | 20.58 | | 13.14 | | 34.18 | | 3.10 | | 71.00 | |

(1) This financial assistance excludes contributions for membership assessments in international agencies and programmes.
(2) These figures include amounts which have been provided for in Final Supplementary Estimates for 1958/1959.

## APPENDIX 1—*Conc.*

CANADA'S POST-WAR FINANCIAL ASSISTANCE ABROAD 1945–1960(1)

(Millions of Canadian Dollars)

| | Expenditures to March 31, 1957 Total | | Expenditures Year 1957/1958 Total | Estimates Presented to Parliament Year 1958/1959 Total | Estimates Presented to Parliament Year 1959/1960 Total | Total Expenditures (including estimates(2)) to March 31, 1960 Total | |
|---|---|---|---|---|---|---|---|
| (*d*) Commonwealth Assistance Programme(3) | | | | .14 | .50 | .64 | |
| (*e*) West Indies Assistance Programme. | | | | 1.48 | 2.10 | 3.58 | |
| (*f*) NATO | | | | | | | |
| Military Assistance—(transfers from Can. stocks, new production items, NATO aircrew training, etc.) | 1,373.60 | | 108.00 | 108.50 | 68.50 | 1,658.60 | |
| Infrastructure & NATO Budgets | 63.57 | | 10.47 | 21.50 | 21.50 | 117.04 | |
| Total | 1,437.17 | 1,834.86 | 118.47 | 130.00 | 90.00 | 1,775.64 | 2,363.61 |
| 5. Total Loans, Military Relief Grants | | 3,708.23 | | 815.74 | 227.01 | 151.00 | 4,271.98 |
| Subscriptions as valued at March 31, 1958(4) | | | | | | | |
| IBRD | | | | | | 70.86 | |
| IMF | | | | | | 295.95 | |
| IFC | | | | | | 3.52 | |
| Total | | | | | | | 370.33 |
| 6. GRAND TOTAL | | | | | | | 4,642.31 |

(3) To provide technical assistance to Commonwealth countries other than those covered by the Colombo Plan or West Indies Assistance Programme.

(4) Represents Canada's net capital participation, i.e. original contributions adjusted for transfers reflecting the relative value of U.S. and Canadian dollars.

## APPENDIX 2

### INTERNATIONAL ECONOMIC AID TO UNDER-DEVELOPED COUNTRIES 1953/54–1955/56 AND 1956/57*

BY CONTRIBUTING COUNTRY OR AGENCY

| Contributing Country or Agency | 1953/54–1955/56 | | | 1956/57 | | |
|---|---|---|---|---|---|---|
| | Grants | Loans | Repayments | Grants | Loans | Repayments |
| | (Millions of Dollars) | | | | | |
| BILATERAL AID | | | | | | |
| Australia | 71.0 | — | — | 33.5 | 0.8 | — |
| Belgium | — | 12.0 | — | — | 8.0 | — |
| Canada | 64.2 | — | 6.3 | 23.4 | — | — |
| France | 1,185.3 | 629.7 | — | 514.3 | 292.8 | 23.7 |
| India | 17.1 | — | — | 3.4 | — | — |
| Italy | 15.0 | — | — | 6.8 | — | — |
| Japan | 0.3 | — | — | 0.3 | — | — |
| Netherlands | 52.3 | 6.1 | 21.8 | 20.9 | 3.5 | 7.4 |
| New Zealand | 9.4 | 0.4 | — | 5.7 | 0.1 | — |
| Norway | 1.3 | — | — | 0.9 | — | — |
| Portugal | 1.0 | 9.7 | — | 0.4 | 2.2 | — |
| Spain | 24.4 | 7.2 | — | — | — | — |
| Sweden | 0.2 | — | — | 0.3 | — | — |
| United Kingdom | 307.0 | 149.2 | 4.2 | 113.5 | 42.4 | 5.6 |
| United States | 2,373.1 | 803.3 | 377.0 | 1,166.5 | 269.9 | 277.3 |
| Total Bilateral | 4,121.6 | 1,617.6 | 409.3 | 1,889.0 | 619.7 | 314.0 |
| MULTILATERAL AID | | | | | | |
| UNTA | 67.2 | — | — | 30.6 | — | — |
| UNICEF | 34.2 | — | — | 17.4 | — | — |
| UNKRA | 74.3 | — | — | 20.8 | — | — |
| UNRWA | 90.6 | — | — | 35.2 | — | — |
| IBRD | — | 315.5 | 37.0 | — | 178.8 | 18.8 |
| Total Multilateral | 266.3 | 315.5 | 37.0 | 104.0 | 178.8 | 18.8 |
| GRAND TOTAL | 4,387.9 | 1,933.1 | 446.3 | 1,993.0 | 798.5 | 332.8 |

* In general the periods covered are 1 July 1953–30 June 1956 and 1 July 1956–30 June 1957. Comparable statistics for the U.S.S.R., China and a number of countries in Eastern Europe were not available.

SOURCE:

Table 16, page 67 of the Report of the Secretary General of the United Nations to the 26th Session of the Economic and Social Council. Document E/3131 of June 3, 1958.

## APPENDIX 3

### CONTRIBUTIONS OF GOVERNMENTS TO INTERNATIONAL TECHNICAL ASSISTANCE AND RELIEF AGENCIES 1957

| Contributing Country | UN Technical Assistance: Expanded programme | UN Technical Assistance: Regular programmes | UN Children's Fund | UN Relief and Works Agency | All Agencies |
|---|---|---|---|---|---|
| | (millions of U.S. dollars) | | | | |
| **Africa** | | | | | |
| Egypt | 0.2 | — | 0.1 | 0.1 | 0.4 |
| Sudan | 0.1 | — | — | — | 0.1 |
| Union of South Africa | — | 0.1 | — | — | 0.1 |
| Other | 0.1 | — | — | — | 0.1 |
| Total Africa | 0.4 | 0.1 | 0.1 | 0.1 | 0.7 |
| **America, North** | | | | | |
| Canada | 1.2 | 0.2 | 0.7 | 0.7 | 2.8 |
| Cuba | 0.1 | — | — | — | 0.1 |
| Mexico | — | 0.1 | 0.3 | — | 0.4 |
| United States | 11.2 | 2.1 | 10.0 | 21.9 | 45.2 |
| Other | 0.1 | — | 0.2 | — | 0.3 |
| Total America, North | 12.6 | 2.4 | 11.2 | 22.6 | 48.8 |
| **America, South** | | | | | |
| Argentina | 0.4 | 0.1 | — | — | 0.5 |
| Brazil | 0.7 | 0.1 | 0.5 | — | 1.3 |
| Chile | — | — | 0.1 | — | 0.1 |
| Colombia | 0.1 | — | 0.3 | — | 0.4 |
| Peru | — | — | 0.1 | — | 0.1 |
| Venezuela | 0.1 | — | — | — | 0.1 |
| Total America, South | 1.3 | 0.2 | 1.0 | — | 2.5 |
| **Asia** | | | | | |
| Burma | — | — | 0.1 | — | 0.1 |
| China (Taiwan) | — | 0.4 | — | — | 0.4 |
| India | 0.5 | 0.2 | 0.3 | — | 1.1 |
| Indonesia | 0.1 | — | 0.1 | — | 0.3 |
| Iran | 0.1 | — | 0.2 | — | 0.3 |
| Iraq | 0.1 | — | 0.1 | — | 0.1 |
| Israel | — | — | — | 0.1 | 0.2 |
| Japan | 0.1 | 0.1 | 0.1 | — | 0.3 |
| Jordan | — | — | — | 0.2 | 0.2 |
| Pakistan | 0.2 | — | 0.1 | — | 0.3 |
| Philippines | — | — | 0.1 | — | 0.1 |
| Saudi Arabia | — | — | 0.1 | — | 0.1 |
| Syria | — | — | 0.1 | — | 0.1 |
| Thailand | 0.1 | — | 0.1 | — | 0.2 |
| Turkey | 0.2 | 0.1 | 0.1 | — | 0.4 |
| Other | 0.1 | — | 0.1 | — | 0.2 |
| Total Asia | 1.5 | 0.8 | 1.6 | 0.3 | 4.4 |
| **Europe** | | | | | |
| Belgium | 0.4 | 0.1 | 0.1 | — | 0.7 |
| Byelorussian SSR | 0.1 | — | — | — | 0.1 |
| Czechoslavakia | 0.1 | 0.1 | — | — | 0.2 |
| Denmark | 0.6 | 0.1 | 0.1 | — | 0.7 |
| France | 1.5 | 0.4 | 0.8 | 0.3 | 2.9 |
| Germany, Fed. Republic | 0.5 | 0.2 | 0.4 | — | 1.1 |
| Italy | 0.1 | 0.1 | 0.1 | — | 0.4 |
| Netherlands | 1.0 | 0.1 | 0.1 | — | 1.2 |
| Norway | 0.4 | — | 0.1 | 0.1 | 0.6 |
| Poland | 0.1 | 0.1 | — | — | 0.2 |
| Spain | 0.1 | 0.1 | — | — | 0.1 |
| Sweden | 0.8 | 0.1 | 0.2 | — | 1.1 |
| Switzerland | 0.2 | 0.1 | 0.2 | — | 0.5 |
| Ukrainian SSR | 0.1 | 0.1 | — | — | 0.2 |
| USSR | 1.0 | 0.8 | 0.5 | — | 2.3 |
| United Kingdom | 2.2 | 0.6 | 0.6 | 6.1 | 9.6 |
| Yugoslavia | 0.1 | — | 0.2 | — | 0.4 |
| Other | 0.2 | 0.2 | 0.1 | — | 0.5 |
| Total Europe | 9.5 | 3.2 | 3.5 | 6.5 | 22.8 |

## APPENDIX 3—*Conc.*

### CONTRIBUTIONS OF GOVERNMENTS TO INTERNATIONAL TECHNICAL ASSISTANCE AND RELIEF AGENCIES 1957—*Conc.*

| Contributing Country | UN Technical Assistance | | UN Children's Fund | UN Relief and Works Agency | All Agencies |
|---|---|---|---|---|---|
| | Expanded programme | Regular programmes | | | |
| | (millions of U.S. dollars) | | | | |
| OCEANIA | | | | | |
| Australia | 0.5 | 0.1 | 0.5 | 0.2 | 1.3 |
| New Zealand | 0.2 | — | 0.2 | 0.1 | 0.5 |
| Total Oceania | 0.7 | 0.1 | 0.7 | 0.3 | 1.8 |
| GRAND TOTAL | 26.0 | 6.8 | 18.1 | 29.8 | 81.0 |
| Total Under-developed Countries | 3.2 | 1.1 | 3.1 | 0.4 | 7.8 |

SOURCE;

Table 13, pages 45 and 46 of Report of the Secretary General of the United Nations to the 26th Session of the Economic and Social Council. Document E/3131 of June 3, 1958.

## APPENDIX 4

### ESTIMATED SINO-SOVIET BLOC CREDITS AND AGREEMENTS WITH LESS DEVELOPED COUNTRIES INCLUDING MILITARY CREDITS*

| Country | Approximate Amounts Offered and Agreed |
|---|---|
| | (in millions of dollars) |
| United Arab Republic | |
| Egyptian Region | 600–650 |
| Syrian Region | 325 |
| Afghanistan | 175 |
| Yemen | 60 |
| Burma | 40–50 |
| India | 320 |
| Indonesia | 300–350 |
| Iraq (March 1959) | 300 |
| Ceylon | 60 |
| Nepal | 13 |
| Cambodia | 30–35 |
| Iceland | 10 |
| Turkey | 10 |
| Argentina | 100 |
| Approximate Total | $2.3—$2.4 billion |

*About one half of aid to Egypt, Syria, Indonesia and Iraq, and approximately $25 million of aid to Afghanistan has consisted of military credits.

20866-0—3

# APPENDIX "A"

## CANADIAN COLOMBO PLAN ASSISTANCE

### Financial Statement

TABLE NO.—1 — As at 31 December, 1958

| | 1950–51 | 1951–52 | 1952–53 | 1953–54 | 1954–55 | 1955–56 | 1956–57 | 1957–58 | 1958–59 | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Funds voted by fiscal years | $400,000 | $ 25,400,000 | $ 25,400,000 | $ 25,400,000 | $ 25,400,000 | $ 26,400,000 | $ 34,400,000 | $ 34,400,000 | $ 35,000,000 | $232,200,000 |
| Less Funds which lapsed during 1950–51 and 1951–52 | | | | | | | | | | 529,296 |
| BALANCE AVAILABLE | | | | | | | | | | $231,670,704 |

### ALLOCATIONS AND EXPENDITURES

TABLE NO.—2 — As at 31 December, 1958

| Capital Projects Commonwealth Countries | Funds Allocated to-date | Expenditures to-date | Outstanding Commitments | Total liabilities | Uncommitted balance |
|---|---|---|---|---|---|
| Ceylon | $ 12,709,916.83 | $10,876,177.71 | $ 360,048.52 | $ 11,236,226.23 | $ 1,473,690.60 |
| India | 122,241,018.69 | 86,492,873.24 | 13,894,117.13 | 100,386,990.37 | 21,854,028.32 |
| Malaya | 209,600.00 | 204,279.44 | 284.14 | 204,563.58 | 5,036.42 |
| North-Borneo | 3,000.00 | 1,451.39 | — | 1,451.39 | 1,548.61 |
| Pakistan | 75,293,221.97 | 58,454,923.64 | 10,635,854.53 | 69,090,778.17 | 6,202,443.80 |
| Sarawak | — | — | — | — | — |
| Singapore | 55,000.00 | 40,419.10 | 398.76 | 40,817.86 | 14,182.14 |
| Total Commonwealth | $ 210,511,757.49 | $ 156,070,124.52 | $24,890,703.08 | $ 180,960,827.60 | $29,550,929.89 |
| Non-Commonwealth Countries | | | | | |
| Burma | 399,563.00 | 249,953.47 | 34,055.44 | 284,008.91 | 115,554.09 |
| Cambodia | 63,634.02 | 14,476.47 | 42,667.30 | 57,143.77 | 6,490.25 |
| Indonesia | 2,434.66 | 936.22 | 158.01 | 1,094.23 | 1,340.43 |
| Laos | — | — | — | — | — |
| Nepal | 60,000.00 | 60,000.00 | — | 60,000.00 | — |
| Thailand | — | — | — | — | — |
| South Vietnam | 5,700.00 | — | 5,690.94 | 5,690.94 | 9.06 |
| Philippines | — | — | — | — | — |
| Total Non-Commonwealth | $ 531,331.68 | $ 325,366.16 | $ 82,571.69 | $ 407,937.85 | $ 123,393.83 |
| Total all Countries | $ 211,043,089.17 | $ 156,395,490.68 | $24,973,274.77 | $ 181,368,765.45 | $29,674,323.72 |
| Technical assistance all Countries | 7,209,802.00 | 6,330,617.21 | 879,184.79** | 7,209,802.00 | — |
| Bureau contributions | 42,507.04 | 42,507.04 | — | 42,507.04 | — |
| Totals to date | $ 218,295,398.21 | $ 162,768,614.93 | $25,852,459.56 | $ 188,621,074.49 | $29,674,323.72 |

(see Table 4B)

*Technical Allocation—Expenditures to 31 March 1958 plus an allocation of $2.0 million for 1958–59 operations.
**This figure represents Col. 1 minus Col. 2: That is the un-expended balance of allocations as at 31 December, 1958.

## CANADIAN COLOMBO PLAN ASSISTANCE

### Technical Expenditures By Countries and Years

As at 31 December, 1958

Table No.—3

Technical Expenditures

| Country | 1950–54 | 1954–55 | 1955–56 | 1956–57 | 1957–58 | 1958–59 | Total |
|---|---|---|---|---|---|---|---|
| Burma | $ — | $ 4,377.25 | $ 32,487.79 | $ 79,710.58 | $ 189,512.49 | $ 159,143.65 | $ 465,321.76 |
| Cambodia | 1,270.42 | 19,467.41 | 15,849.56 | 14,438.34 | 25,941.22 | 29,661.71 | 106,628.66 |
| Ceylon | 273,461.70 | 163,866.21 | 223,936.87 | 213,704.07 | 243,294.07 | 160,699.15 | 1,278,962.07 |
| India | 280,227.65 | 114,031.90 | 225,305.29 | 361,233.52 | 328,758.45 | 163,287.49 | 1,472,844.30 |
| Indonesia | — | 64,303.98 | 148,323.95 | 215,649.78 | 163,605.68 | 200,377.57 | 792,260.96 |
| Laos | — | — | — | 32,239.74 | 38,291.91 | 22,415.14 | 92,946.79 |
| Malaya | 44,559.17 | 56,006.73 | 43,147.03 | 94,733.66 | 52,601.84 | 43,763.36 | 334,811.79 |
| North-Borneo | 1,688.75 | 5,466.81 | 5,658.02 | 573.04 | 3,451.04 | 14,598.32 | 31,435.98 |
| Pakistan | 292,497.03 | 206,872.97 | 197,171.60 | 195,479.29 | 243,445.02 | 147,969.71 | 1,283,435.62 |
| Philippines | — | — | — | — | — | 2,343.96 | 2,343.96 |
| Sarawak | — | — | 1,671.30 | 2,746.39 | 30,057.59 | 33,678.79 | 68,154.07 |
| Singapore | — | 8,540.56 | 1,866.58 | 21,859.30 | 22,722.44 | 15,561.87 | 70,550.75 |
| Thailand | 3,542.05 | 2,845.37 | 534.01 | — | 15,615.91 | 23,442.48 | 45,979.82 |
| South Vietnam | — | 4,313.20 | 1,360.94 | 138,137.20 | 37,347.33 | 103,872.01 | 285,030.68 |
| TOTALS | $ 897,246.77 | $ 650,092.39 | $ 897,312.94 | $ 1,370,504.91 | $ 1,394,644.99 | $ 1,120,815.21 | $ 6,330,617.21 |
| Bureau Contribution | 13,897.56 | 7,210.87 | 5,081.30 | 6,041.25 | 5,114.38 | 5,161.68 | 42,507.04 |
| | $ 911,144.33 | $ 657,303.26 | $ 902,394.24 | $ 1,376,546.16 | $ 1,399,759.37 | $ 1,125,976.89 | $ 6,373,124.25 |

## RECONCILLATIONS

TABLE No.—4

As at 31 December, 1958

A

| | |
|---|---|
| Funds Voted—As per Table No.—1 | $ 231,670,704.00 |
| Allocations to date as Per Table No.—2 | 218,295,398.21 |
| Un-Allocated Balances as at 31 Dec., 1958. | $ 13,375,305.79 |

B

| | |
|---|---|
| Funds Allocated to date—Table No.—2 | $ 218,295,398.21 |
| Liabilities Incurred to 31 Dec., 1958—Table No. 2 | 188,621,074.49 |
| Un-Committed Balance at 31 Dec., 1958* | $ 29,674,323.72 |

* These Funds are required to complete Projects now under way.

C

| | | | |
|---|---|---|---|
| Un-Allocated Balance as per Table 4.A | | | $13,375,305.79 |
| PROJECTS UNDER CONSIDERATION | | | |
| *Commonwealth Countries* | | | |
| Ceylon—Balance of 1958–59 Programme. | $1,849,450 | | |
| Malaya—Balance of 1958–59 Programme. | 500,000 | | |
| Pakistan—Balance of 1958–59 Programme | 9,000,000 | | |
| Commonwealth Total | | $ 11,349,450 | |
| *Non-Commonwealth Countries* | | | |
| Burma—Balance of 1958–59 Programme. | $ 550,000 | | |
| Cambodia—Balance of 1958–59 Programme | 60,000 | | |
| Indonisia—Balance of 1958–59 Programme | 500,650 | | |
| Laos—Balance of 1958–59 Programme | 60,000 | | |
| South Vietnam | 200,000 | | |
| Non-Commonwealth Total | | $ 1,370,650 | |
| TOTAL | | $ 12,720,100.00 | |
| Present Indicated Reserve | | 655,205.79 | |
| TOTAL ACCOUNTED FOR | | | $13,375,305.79 |

20866-0—3½

"APPENDIX "B"

WEST INDIES AND GHANA ASSISTANCE PROGRAMMES—AS AT 31 DECEMBER, 1958

EXPENDITURES

| Fiscal Year | | Primary Alllocation | Capital | Technical | | | Total Expenditures | Un-expended Balance 31 Dec. 1958 |
|---|---|---|---|---|---|---|---|---|
| | | | | Experts | Trainees | Total | | |
| 1957–58 | West Indies | $ 15,000.00 | $ — | $ 4,033.78 | $ — | $ 4,033.78 | $ 4,033.78 | $ Lapsed |
| | Ghana | | — | — | — | — | | |
| 1958–59 | West Indies | 1,475,000.00 | 11,708.44* | 49,699.59 | 3,349.69 | 53,049.28 | 64,757.72 | 1,410,242.28 |
| | Ghana | 135,000.00 | — | 5,874.49 | 10,012.60 | 15,887.09 | 16,887.09 | 119,112.91 |
| | Initial total | 1,625,000.00 | | | | | | |
| | Less Funds which lapsed 31 March 1958 | 10,966.22 | | | | | | |
| | Totals at 31 December 1958 | $ 1,614,033.78 | $ 11,708.44 | $ 59,607.86 | $ 13,362.29 | $ 72,970.15 | $ 84,678.59 | $ 1,529,355.19 |

* While only $11,708.44 has been expended to date, $100,000.00 has been encumbered and contracts have been entered into with Naval Architects to prepare the necessary Plans and Specifications for the two ships for the West Indies. Payments for these plans and specifications become due and payable on delivery and acceptance. Following this, contracts will be entered into to have these ships built.

APPENDIX "C"

# COLOMBO PLAN CAPITAL ASSISTANCE PROJECTS

# CEYLON

Fiscal years 1951-52 — 1958-59 (as at 19 March 1959)

ECONOMIC AND TECHNICAL ASSISTANCE BRANCH

OTTAWA

COMPLETED PROJECTS

1951-52—1957-58

CEYLON

MARCH 19, 1959.

| Item No. | Name of Project | Allocation | Year | Completion Date | Project No. | Financial No. |
|---|---|---|---|---|---|---|
| | | $ | | | | |
| 1 | Flour—counterpart funds for rural road construction | 449,904.00 | 53-54 | Feb. 1954 | 30 | 1194 |
| 2 | Flour—counterpart funds for rural road construction and Mutwal Harbour | 606,571.00 | 54-55 | Oct. 1954 | 59 | 2549 |
| 3 | Flour—counterpart funds for rural road construction; veterinary building, Ceylon University; and trade school | 645,000.00 | 56-57 | April and May 1957 | 64 | 3135 |
| 4 | Flour—counterpart funds for Institute of Practical Technology—Katubedde | 493,416.00 | 53-54 55-56 | Sept. 1956 | 33 | 2812 |
| 5 | Flour—counterpart funds for laboratory construction at Ceylon University and Mutwal Harbour | 649,949.00 | 53-54 | May 1955 | 36 | 2610 |
| 6 | Flour—Fisheries Co-operatives Schools Equipment | 180,000.00 | 54-55 | Dec. 1955 | 46 | 2788 |
| 7 | Flour—Counterpart funds | 1,000,000.00 | 57-58 | Mar. 1958 | 77 | 3364 |
| 8 | Two Diesel Locomotives | 370,023.00 | 53-54 | Oct. 1954 | 13 | 1068 |
| 9 | Three Diesel Locomotives | 486,650.00 | 54-55 | Nov. 1954 | 28 | 2523 |
| 10 | Three Diesel Locomotives | 555,000.00 | 55-56 | Oct. 1956 | 39 | 2700 |
| 11 | Two Diesel Locomotives | 370,000.00 | 56-57 | 1958 | 65 | 3136 |
| 12 | Portable Irrigation Units | 185,000.00 | 53-54 | May 1957 | 14 | 1107 |
| 13 | Pest Control Equipment | 78,137.00 | 53-54 55-56 56-57 57-58 | July 1958 | 17 | 3134 |
| 14 | Equipment for University of Ceylon | 21,003.00 | 53-54 | Dec. 1954 | 18 | 1388 |
| 15 | Railway Ties | 183,604.00 | 54-55 | Mar. 1955 | 34 | 2544 |
| 16 | Colombo Harbour Equipment (*not including 1958-59 allocation) | *633,000 00 | 54-55 55-56 57-58 | Jul. 1958 | 25 | 2719 |
| 17 | Gal Oya Agricultural Development Scheme | 210,000.00 | 54-55 | Mar. 1957 | 26 | 2698 |
| 18 | Mobile Cinema Vans and Visual Aid Equipment | 30,000.00 | 54-55 | Nov. 1955 | 51 | 2643 |
| 19 | Equipment for Junior Technical School—Galle | 20,000.00 | 54-55 | Nov. 1955 | 50 | 2603 |
| 20 | Film Strips for Technical Education | 1,958.00 | 54-55 | Mar. 1955 | 55 | 2616 |
| 21 | X-ray Maintenance Equipment | 3,015.00 | 57-58 | Feb. 1958 | 84 | 3391 |

UNCOMPLETED PROJECTS

1951-52—1957-58

CEYLON

MARCH 19, 1959.

| Item No. | Name of Project | Allocation | Year | Project No. | Financial Encumbrance No. | Present Status of Project |
|---|---|---|---|---|---|---|
| | | $ | | | | |
| 22 | Fisheries Development..... | 1,476,708.00 | 52—53<br>53—54<br>55—56<br>56—57 | 29 | 2854-0892-2525 | Ceylon is undertaking a large fisheries development program. Canada has supplied boats, refrigeration plant, experimental equipment, trucks and fishing equipment. All present requirements have been supplied but project remains open pending receipt of further requirements. |
| 23 | Gal Oya Transmission Lines..... | 1,374,572.00 | 52—53<br>56—57<br>57—58 | 15 | 1155 | An Irrigation and Power Development Project in East Ceylon to which Canada is supplying power distribution lines. This project is allied to Item 17. Engineering 97% and construction 90% of original request complete. Extension of Project now being undertaken. |
| 24 | Agricultural Station Workshop Tools and Equipment | 340,000.00 | 53—54<br>56—57 | 21 | 2502<br>1222 | Equipment and Tools for 93 District Stations' Workshops, established by Government of Ceylon, have been shipped. Awaiting final details of requirements before completing project. |
| 25 | Institute of Practical Technology —Katubedde | 309,457.00 | 53—54<br>55—56<br>57—58 | 9 | 10179<br>2804 | Government of Ceylon is building a school of practical technology at Katubedde to which Canada is supplying equipment. All equipment on order has now been shipped; awaiting further details of requirements before completing project. |
| 26 | Airport Equipment Ratmalana... | 292,000.00 | 54—55<br>56—57 | 24 | 2718 | Government of Ceylon is modernizing international airport at Ratmalana. Canada is supplying telecommunication equipment. All has been shipped except radio link from airport to receiving station. Additional funds may be required from 1958-59 allocation. |
| 27 | Aerial Resources Survey..... | 1,181,900.00 | 55—56<br>56—57<br>57—58 | 40 | 2720 | Similar to survey made for Pakistan. Further funds required from 1958-59 program. Several phases of project completed, other phases continuing according to schedule. Awaiting approval fur further $1,200,000 program. |
| 28 | Remedial Equipment for University of Ceylon. | 12,500.00 | 57—58 | 85 | 2417 | Instructional equipment for teaching of remedial aid therapy at University of Ceylon. Shipment of material held in abeyance pending further details as to availability of suitable teaching staff. |

1958-59

PROGRAM

CEYLON

MARCH 19, 1959

| Item No. | Name of Project | Allocation | Project No. | Financial Encumbrance No. | Stage of Development |
|---|---|---|---|---|---|
| | | $ | | | |
| 29 | Colombo Harbour | 40,000.00 | 25 | 2719 | Continuation of Item 16. Project completed 1958. |
| 30 | Aerial Resources Survey | 110,550.00 | 40 | 2720 | This is a continuation of project started in 1956—see item 27. This sum has been expended and a further amount is required from unallocated funds to complete project. |
| 31 | Flour | 400,000.00 | 96 | 3626 | This is a similar project to Item 7. Counterpart funds are raised by Government of Ceylon from sale to manufacturers, to finance local costs of other Colombo Plan projects. Shipments expected to commence end of March, 1959. |
| 32 | To complete Aerial Resources Survey | 1,200,000.00 | — | — | Under consideration—see Item 30 above. |
| | Balance of funds for Ceylon unallocated and as yet undetermined | 650,000.00 | | | |

APPENDIX "C"

# COLOMBO PLAN CAPITAL ASSISTANCE PROJECTS

# INDIA

Fiscal years 1951-52 — 1958-59 (as at 19 March 1959)

ECONOMIC AND TECHNICAL ASSISTANCE BRANCH

OTTAWA

COMPLETED—PROJECTS

1951–52—1957–58

INDIA

March 19, 1959.

| Item No. | Name of Project | Allocation | Year | Completion Date | Project No. | Financial Encumbrance |
|---|---|---|---|---|---|---|
| | | $ | | | | |
| 1 | Wheat—Counterpart funds | 10,000,000. | 51–52 | March 1952 | 1 | 5/1/52 |
| 2 | Wheat—Counterpart funds | 5,000,000. | 52–53 | January 1953 | 8 | 1/6/53 |
| 3 | Wheat—Counterpart funds (see also Item 23) | 2,000,000. | 57–58 | December 1957 | 79 | 3370 |
| 4 | Mayurakshi | 1,311,645. | 51–52 | November 1956 | 6 | 1951–52–0802 |
| | | | 52–53 | | | 1376–0414 |
| 5 | Locomotive Boilers for Indian Railways | 1,815,522. | 52–53 | October 1954 | 11 | 1390–2535 |
| 6 | Steam Locomotives for Indian Railways | 21,470,970. | 53–54 | July 1956 | 16 | 1213 |
| | | | 54–55 | | | |
| 7 | UMTRU Hydro-Electric Power Development | 1,201,956. | 53–54 | July 1957 | 19 | 1047–1444 |
| | | | | | | 2539 |
| 8 | Diesel Electric Generating sets | 3,003,000. | 54–55 | 1958 | 42 | 3093–3074 |
| 9 | Biological Control Station, Bangalore | 46,023. | 54–55 | August 1958 | 52 | 2619 |
| | | | 57–58 | | | |
| 10 | Film Kits on Geology, Geophysics and Topography | 275. | 54–55 | August 1956 | 66 | 309i |
| 11 | Locust Control (Trucks with 2 way radio control) | 113,792. | 55–56 | March 1956 | 44 | 51–52 |
| 12 | Pest Control (Two Beaver Aircraft) | 160,000. | 55–56 | October 1956 | 47 | 2800 |
| 13 | Airborne Magnometer Survey | 257,060. | 55–56 | June 1957 | 48 | 2801 |
| | | | 56–57 | | | |
| 14 | Audio Visual Training Aids and Equipment for Co-operative Training Centres | 65,000. | 57–58 | May 1958 | 70 | 3361 |
| 15 | Three Cobalt Beam Therapy Units | 120,000. | 57–58 | December 1958 | 87 | 3418 |
| 16 | Cobalt Therapy Unit Source | 8,000. | 57–58 | December 1958 | 90 | 3503 |
| 17 | Bombay State Transport | 4,352,775. | 51–52 | July 1954 | 3 | 30/6/52 |

UNCOMPLETED PROJECTS,

1951-52—1957-58

INDIA

MARCH 19, 1959.

| Item No. | Name of Project | Allocation | Year | Project No. | F.E. No. | Present Status of Project |
|---|---|---|---|---|---|---|
| | | $ | | | | |
| 18 | Commodities | 5,000,000 | 53—54 | 20 | 2538 | This is to supplement shortage of aluminum and copper in India from sale of which to Indian manufactures the Government of India has created counterpart funds to help finance local costs of other Colombo Plan projects as agreed between Canada and India. |
| 19 | Commodities | 10,815,000 | 57—58 | 81 | 3393 | |
| 20 | Canada-India Atomic Reactor (NRX type) | 7,000,000 | 55—56<br>56—57<br>57—58 | 43 | 2813<br>2815 | An Atomic Reactor is being constructed in Bombay for power development, Isotope Production and other peaceful uses. Overall design and procurement 85% complete. Completion date scheduled for April, 1960. Further funds required from 1958-59 Program. |
| 20 | Kundah Hydro-electric Power Development, Madras | 23,500,000 | 55—56<br>56—57<br>57—58 | 45 | 2786 | Madras Electricity Board is undertaking a large power development project in the Nilgiri Hills. Canada is contributing electrical generating and related equipment. Engineering 80%, construction, 35% complete. Completion date scheduled for November 1961. |
| 22 | Railway ties | 3,000.000 | 57—58 | 82 | 3392 | Creosoted railway ties to assist Government of India in the rehabilitation of railways. Canada has already contributed locomotive boilers and steam boilers (see items 5 and 6). Shipments of ties aer now under way and are expected to be complete by May 1959. |

PROJECTS

1958-1959 MARCH 19, 1959

INDIA

| Item No. | Name of Project | Allocation | Project No. | F.E. No. | Present Status of Project |
|---|---|---|---|---|---|
| | | $ | | | |
| 23 | Wheat (see Item 3)..... | 5,000,000 | 79 | 3370 | Completed December 1957. A continuation of Item 3, and related to Items 1 and 2. Counterpart funds have been established by Government of India from sale of wheat to finance local costs of other Colombo Plan projects agreed to between Canada and India. |
| 24 | Canada—India Atomic Reactor (NRX) | 1,000,000 | 43 | 2815 | To complete construction of Atomic Reactor in Bombay. A continuation of Item 20. Project expected to be complete April 1960. |
| 25 | Commodities (see also similar project Item 19) | 10,500,000 | 101 | 3641 | Supplies of copper, aluminum and nickel are needed by Government of India to supplement shortage. From sale of these commodities counterpart funds will be established to finance local costs of other Colombo Plan projects agreed between Canada and India. |
| 26 | Fertilizers..... | 2,500,000 | 103 | 3651 | Chemical fertilizer is required by the Indian Department of Agriculture. Tenders will be called as soon as firm specifications are received from India. |
| 27 | Railway ties (See also similar project Item 25) | 2,500,000 | 102 | 3647 | Creosoted railway ties to assist Government of India in the rehabilitation of railways. This is a similar project to Item 22. Tenders are now being called and orders will be placed shortly. |
| 28 | Atomic materials..... | 380,000 | 105 | — | This is special equipment and materials for Indian Atomic Energy program. Awaiting fuller details of requirements before proceeding with this project. |
| 29 | Cobalt Therapy Unit (See also similar project—Item 15) | 120,000 | 104 | — | Three cobalt therapy units required for cancer control in hospitals in Vellore, Trivandrum and Cuttack. This is a similar project to Item 15 under which three units were sent to hospitals in Ludhiana, Bombay and Chittaranjan. |

APPENDIX "C"

# COLOMBO PLAN CAPITAL ASSISTANCE PROJECTS

# PAKISTAN

Fiscal years 1951-52 — 1958-59 (as at 19 March 1959)

ECONOMIC AND TECHNICAL ASSISTANCE BRANCH

OTTAWA

COMPLETED PROJECTS

1951–52—1957–58

PAKISTAN

MARCH 19, 1959

| Item No. | Name of Project | Allocation | Year | Completion Date | Project No. | Financial Encumbrance |
|---|---|---|---|---|---|---|
| | | $ | | | | |
| 1 | Cement Plant | 6,541,547 | 1951–52<br>1952–53<br>1954–55<br>1956–57 | January 1957 | 5 | 1324 |
| 2 | Railway Ties | 2,770,490 | 1951–52 | January 1957 | 4 | 21/1/55 |
| 3 | Aerial Resources Survey | 2,000,000 | 1592–52 | Project completed but extended and carried on under Project No. 35 (Item 15) | 12 | 842 |
| 4 | Thal Experimental Farm | 196,745 | 1951–52 | May 1956 | 2 | 22/1/52 |
| 5 | Wheat—Counterpart Funds | 5,000,000 | 1952–53 | December 1952 | 7 | 0336 |
| 6 | Wheat—Counterpart Funds (see also similar projects Items 23 and 24) | 2,000,000 | 1957–58 | December 1957 | 76 | 3363 |
| 7 | Beaver Aircraft for Pest Control | 176,807 | 1952–53 | October 1953 | 10 | 1377 |
| 8 | Biological Control Station—Rawalpindi | 55,383 | 1954–55<br>1957–58 | August 1958 | 53 | 2620 |
| 9 | Hatching Eggs and Incubator | 3,106 | 1954–55 | March 1955 | 57 | 2613 |
| 10 | Two Mobile Dispensaries | 11,795 | 1955–56 | November 1954 | 32 | 2545 |
| 11 | Equipment for Tractor Training School, East Pakistan | 18,000 | 1955–56 | 1956 | 31 | 2544 |
| 12 | Trucks for Locust Control | 80,414 | 1956–57 | August 1957 | 62 | 3144 |
| 13 | Tarnab Farm Workshop Equipment | 2,400 | 1957–58 | May 1958 | 75 | 3230 |

*UNCOMPLETED PROJECTS*
*1951–52—1957–58*

MARCH 19, 1959.

PAKISTAN

| Item No. | Name of Project | Allocation | Year | Project No. | Financial Encumbrance | Present Status of Project |
|---|---|---|---|---|---|---|
| | | $ | | | | |
| 14 | Warsak Hydro-Electric and Irrigation Project..... | 36,621,762 | 1952–53<br>1953–54<br>1954–55<br>1955–56<br>1956–57<br>1957–58 | 22 | 0802–2509 | Design and construction of Dam and Power House on the Kabul River in North-West Pakistan, also supply of electrical generating and related equipment. Engineering 85% and construction 60% complete. Scheduled completion date: September 1960. |
| 15 | Aerial Resources Survey..... | 1,292,990 | 1953–54<br>1954–55<br>1956–57<br>1957–58 | 35 | 0842 | Agricultural survey of West Pakistan. Final report expected early 1959. This is a continuation of Project No. 12, which was completed. See Item 3. |
| 16 | Shadiwal Hydro-Electric Power Development..... | 3,507,095 | 1953–54<br>1957–58 | 38 | 1193 and 2640 | This is a power and irrigation scheme north of Lahore, Canada assisting by supplying a power station, dewatering and construction equipment, design and supply of generating and power house equipment. Engineering 75%, construction 55% complete. Scheduled completion date: March 1961. |
| 17 | Ganges-Kobadak Project..... | 1,306,343 | 1954–55 | 23 | 2516 | An irrigation and power development project in East Pakistan to which Canada is supplying a steam thermal plant. It is expected to be ready for testing July 1959. |
| 18 | Dacca-Chittagong Electric Distributory Link..... | 5,606,343 | 1954–55<br>1957–58 | 27 | 2522 | Contribution of transmission towers, etc., for wider distribution of power being generated by small power units in East Pakistan. Engineering 75%, construction 5% complete. Scheduled completion date: December 1960. |
| 19 | Commodities..... | 1,000,000 | 1954–55 | 37 | 2668 | To supplement shortage of aluminum and copper, from sale of which to Pakistani manufacturers the Government of Pakistan has created counterpart funds to finance other Colombo Plan projects as agreed between Canada and Pakistan. Only $141,082 worth remains to be shipped. |
| 20 | Goalpara Thermal Station (Khulna)..... | 2,000,000 | 1955–56 | 41 | 2797 | Contribution of a 20,000 K.W. thermal power plant at Khulna for development of power in East Pakistan. Project expected to be completed in 1959. |
| 21 | Bheramara-Kushtia Transmission Lines (Khulna)..... | 1,000,000 | 1957–58 | 78 | 3373 | A transmission line to distribute power generated by Goalpara Thermal Station being constructed at Khulna (see Item 20). This project will not be commenced until Goalpara is completed. |
| 22 | Equipment and Materials for Sub-Critical Reactor..... | 100,000 | 1957–58 | 91 | 3500 | Government of Pakistan wishes to establish a sub-critical reactor for experimental and teaching purposes. Canada has been asked to supply equipment and materials. Awaiting fuller details of requirements before commencing this project. |

PROJECTS

1958–59

PAKISTAN

March 19, 1959.

| Item No. | Name of Project | Allocation | Project No. | Financial Encumbrance | Present Status of Project |
|---|---|---|---|---|---|
| 23 | Wheat (see also items 5 + 6 + 24) | $ 2,000,000 | 97 | 3625 | Shipped January 1959. Government of Pakistan has established counterpart funds from sale to manufacturers for financing local cost of other Colombo Plan projects, as agreed between Canada and Pakistan. |
| 24 | Wheat (see also items 5 + 6 + 23) | $ 2,000,000 | 98 | 3631 | |
| 25 | Karnafuli Transmission Lines..... | $ 1,100,000 | | | Under consideration |
| 26 | Commodities—copper aluminum.. | $ 2,800,000 | | | " " |
| 27 | Beaver Aircraft for Pest Control | $ 200,000 | | | " " |
| 28 | Warsak Equipment Repair (see Item 14)..... | $ 500,000 | | | " " |
| | Balance of funds for Pakistan unallocated and as yet undetermined..... | $ 4,400,000 | | | |

APPENDIX "C"

# COLOMBO PLAN CAPITAL ASSISTANCE PROJECTS

# OTHER COUNTRIES

Fiscal years 1951-52 — 1958-59 (as at 19 March 1959)

ECONOMIC AND TECHNICAL ASSISTANCE BRANCH

OTTAWA



20866-0—4

COMPLETED PROJECTS

1951-52—1957-58

MARCH 19, 1959.

OTHER COUNTRIES

| Item No. | Project | Allocation | Year | Completion Date | Project No. | Financial Encumbrance |
|---|---|---|---|---|---|---|
| | | $ | | | | |
| | **BURMA** | | | | | |
| 1 | Cobalt Beam Therapy Unit | 45,000 | 55-56 | 1958 | 54 | 2,803 |
| 2 | Text Books for University of Rangoon | 1,013 | 55-56 | Sep. 1955 | 56 | 2,781 |
| 3 | Equipment for permanent training centre—Rangoon | 19,050 | 55-56 | 1956 | 58 | 2,808 |
| 4 | Rangoon Technical High School Equipment | 85,000 | 56-57 | 1958 | 60 | 2,943 |
| 5 | Photogrammetric Equipment for Burma Survey Department | 40,000 | 56-57 | 1958 | 61 | 2,962 |
| 6 | Workshop Equipment—Agricultural Development—Central and District Shops | 40,000 | 57-58 | 1958 | 71 | 3,362 |
| 7 | Fisheries Equipment | 2,500 | 57-58 | Mar. 1958 | 83 | 3,389 |
| | **CAMBODIA** | | | | | |
| 8 | Mobile Veterinary Service Clinics | 13,634 | 54-55 | June 1955 | 49 | 2,621 |
| | **INDONESIA** | | | | | |
| 9 | Gresik Cement Plant Library | 435 | 56-57 | Mar. 1957 | 67 | 3,147 |
| 10 | Books and Journals—Academy of Public Administration—Malang | 2,000 | 57-58 | 1958 | 74 | 3,233 |
| | **MALAYA** | | | | | |
| 11 | Aero-Magnetic and Radio-Activity Survey | 201,000 | 56-57 | 1958 | 63 | 3,121 |
| 12 | Text Books—Junior Technical (Trade) School—Kuala Lumpur | 600 | 57-58 | 1957 | 72 | 3,231 |
| 13 | Small Tools—Electrical Department, Technical Institute, Kuala Lumpur | 3,000 | 57-58 | Sept. 1957 | 73 | 3,232 |
| 14 | Text Books—Technical Institute—Kuala Lumpur | 5,000 | 57-58 | 1958 | 80 | 3,390 |

20866-0—4½

## COMPLETED PROJECTS

1951-52—1957-58

OTHER COUNTRIES

MARCH 19, 1959

| Item No. | Project | Allocation | Year | Completion Date | Project No. | Financial Encumbrance |
|---|---|---|---|---|---|---|
| | | $ | | | | |
| | **NORTH BORNEO** | | | | | |
| 15 | Trade School Equipment—Jesselton | 3,000 | 57-58 | Oct. 1958 | 89 | 3,488 |
| | **SINGAPORE** | | | | | |
| 16 | University of Malaya Equipment | 5,000 | 56-57 | 1958 | 88 | 3,495 |
| | **SOUTH VIETNAM** | | | | | |
| 17 | Laboratory Equipment—University of Dalat | 5,700 | 57-58 | 1958 | 86 | 3,475 |

## UNCOMPLETED PROJECTS

1951-52—1956-57

OTHER COUNTRIES

MARCH 19, 1959

| Item No. | Project | Allocation | Year | Project No. | Financial Encumbrance | Stage of Development |
|---|---|---|---|---|---|---|
| | | $ | | | | |
| | **SINGAPORE** | | | | | |
| 18 | Singapore Polytechnic School Equipment. | 50,000 | 56-57 | 68 | 3,260 | Government of Singapore is building a new Polytechnic School to which Canada is supplying equipment and machinery for woodsworking shop.<br>All equipment at present on order has been shipped. Awaiting details of final requirements before completing project. |

1958-59 PROGRAM

OTHER COUNTIRES

MARCH 19, 1959.

| Item No. | Project | Allocation | Project No. | Financial Encumbrance | Present Status of Project |
|---|---|---|---|---|---|
| | | $ | | | |
| | | | | **BURMA** | |
| 19 | Highways Survey | 160,000 | 93 | 3,581 | Survey to determine maintenance and future development of highways. Project commenced and initial reports have been received. Further stages under consideration. |
| 20 | Prospecting Equipment | 7,000 | 94 | 3,614 | Equipment necessary to assist Government of Burma's development of natural resources, and is now on order. |
| 21 | Surplus Foodstuffs | 400,000 | — | — | Under negotiation with Government of Burma. |
| 22 | Extension to Highway Survey | 117,000 | — | — | Under consideration. |
| | | | | **CAMBODIA** | |
| 23 | Fish Dryer—Cooling Room | 50,000 | 95 | 3,613 | This program has been held in abeyance owing to changing contions. |
| 24 | Surplus Foodstuffs | 60,000 | — | — | Under negotiation with Government of Cambodia. |
| | | | | **INDONESIA** | |
| 25 | Surplus Foodstuffs | 500,000 | — | — | Under negotiation with Government of Indonesia. |
| 26 | Law Faculty Library | 650 | — | — | Under consideration. |
| | | | | **MALAYA** | |
| 27 | Workshop Equipment—Small Industries Institute | 12,000 | — | — | Under consideration. |
| 28 | Soil Science Equipment Dept. of Agriculture | 5,500 | — | — | Under consideration. |
| 29 | Geological and Foundation Exploration Equipment | 15,000 | — | — | Under consideration. |
| 30 | Refrigeration Equipment | 100,000 | — | — | Under consideration. |
| 31 | Trucks for Road Construction and/or Equipment for Airport | 376,500 | — | — | For possible consideration. |

| | | | | | |
|---|---|---|---|---|---|
| | | | **SOUTH VIETNAM** | | |
| 32 | Surplus Foodstuffs | 150,000 | — | — | Under negotiation with Government of South Vietnam. |
| 33 | Equipment for University of Dalat | 50,000 | — | — | Under consideration. |
| | | | **LAOS** | | |
| 34 | Surplus Foodstuffs | 60,000 | — | — | Under negotiation with Government of Laos. |
| | | | **NEPAL** | | |
| 35 | Wheat | 60,000 | 92 | 3,582 | Shipped December 1957. Counterpart funds raised by Government of Nepal for local costs of other possible future Colombo Plan projects as agreed to by Canada and Nepal. |

## APPENDIX "D"

# ECONOMIC AND TECHNICAL ASSISTANCE BRANCH
# DEPARTMENT OF TRADE AND COMMERCE
# STATISTICAL SUMMARY OF
# TECHNICAL CO-OPERATION PROGRAMS
# 1950 — 31 DECEMBER 1958

TABLE 1

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958, BY AGENCY FOR WHICH TRAINING WAS ARRANGED AND ARRIVALS AND DEPARTURES EACH YEAR

| — | Arrivals | | | | | | | | | | Departures | | | | | | | | | Number in Canada as at Dec. 31 1958 | Comparative Number in Canada as at Dec. 31, 1957 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | Total | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | Total | | |
| Colombo Plan | — | 59 | 41 | 61 | 83 | 139 | 253 | 202 | 182 | 1,020 | 30 | 45 | 32 | 69 | 89 | 182 | 173 | 210 | 830 | 190 | 218 |
| United Nations | 6 | 31 | 80 | 57 | 32 | 23 | 29 | 31 | 31 | 320 | 28 | 59 | 71 | 37 | 25 | 31 | 32 | 34 | 317 | 3 | 6 |
| UNESCO | — | — | 15 | 14 | 5 | 6 | 6 | 14 | 4 | 64 | — | 6 | 15 | 13 | 6 | 4 | 16 | 4 | 64 | — | — |
| FAO | — | — | 2 | 6 | 1 | 9 | 6 | 16 | 10 | 50 | — | 2 | 6 | 1 | 8 | 5 | 18 | 7 | 47 | 3 | — |
| ICAO | — | — | 3 | 2 | — | 2 | 2 | 3 | — | 12 | — | 1 | 4 | — | — | 4 | 2 | 1 | 12 | — | 1 |
| ILO | — | — | — | 1 | 1 | 1 | 2 | 2 | 2 | 9 | — | — | 1 | 1 | 1 | 1 | 2 | 3 | 9 | — | 1 |
| ICA | — | — | — | 2 | 6 | 23 | 14 | 61 | 132 | 238 | — | — | 2 | 6 | 23 | 14 | 59 | 119 | 223 | 15 | 2 |
| Others* | — | — | — | — | 1 | — | 1 | 6 | 25 | 33 | — | — | — | 1 | — | 1 | 6 | 25 | 33 | — | — |
| West Indies Plan | — | — | — | — | — | — | — | — | 5 | 5 | — | — | — | — | — | — | — | 1 | 1 | 4 | — |
| Ghana Plan | — | — | — | — | — | — | — | — | 3 | 3 | — | — | — | — | — | — | — | — | — | 3 | — |
| GRAND TOTAL | 6 | 90 | 141 | 143 | 129 | 203 | 313 | 335 | 394 | 1,754 | 58 | 113 | 131 | 128 | 152 | 242 | 308 | 404 | 1,536 | 218 | 228 |

*IBRD
Canadian—Scandinavian Foundation
Swedish American Foundation
Puerto Rican Government
Harvard University
Indian Government

TABLE 2

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958, BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

| Country | Calendar Years 1950—1957 | | | | | | | | | From 1 January 1958 to Date | | | | | | | | | Grand Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | Others | Total | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | Others | Total | |
| Afghanistan | | 1 | 1 | | 2 | | | | 4 | | | | | | | | | | 4 |
| Alaska | | 1 | | | | | | | 1 | | | | | | | | | | 1 |
| Argentina | | | 1 | | | | | | 1 | | | | | | | | | | 1 |
| Australia | | 3 | | | | | | | 3 | | | | | | | | | | 3 |
| Austria | | 1 | 2 | | | | | | 3 | | 1 | | | | | | | 1 | 4 |
| Belgium | | 1 | | | | | | | 1 | | | | | | | | | | 1 |
| Bolivia | | 4 | 1 | | 1 | | 4 | | 10 | | 1 | | | | | | | 1 | 11 |
| Brazil | | 11 | | | | | 1 | | 12 | | 1 | | | | | 5 | 1 | 7 | 19 |
| British Guiana | | 6 | | 1 | | | 1 | | 8 | | | | | | | | | | 8 |
| Burma | 52 | 8 | 2 | 1 | 1 | 1 | | | 65 | 23 | 1 | 1 | | | | | | 25 | 90 |
| Cambodia | 10 | 1 | 2 | | | | 2 | | 15 | 6 | | | | | | 18 | | 24 | 39 |
| Ceylon | 63 | 1 | | | | | 1 | | 65 | 14 | 1 | | | | | 2 | | 17 | 82 |
| Chile | | 8 | 1 | 2 | | | 4 | | 15 | | | | 3 | | | 4 | | 7 | 22 |
| Columbia | | | | | | | | | | | | | | | | | 1 | 1 | 1 |
| Colombo | | 6 | | 1 | | 1 | | | 8 | | | | | | | | | | 8 |
| Costa Rica | | | | | | | 7 | | 7 | | | | | | | 3 | | 3 | 10 |
| Cuba | | 1 | | | | | | | 1 | | | | | | | | | | 1 |
| Cyprus | | | | 2 | | | | | 2 | | | | | | | | | | 2 |
| Denmark | | 2 | 3 | | | | | | 5 | | | | | | | | | | 5 |
| Ecuador | | 3 | 2 | 2 | 1 | | | | 8 | | | | | | | | | | 8 |
| Egypt | | 19 | | | | | | | 19 | | 1 | 1 | 1 | | | | | 3 | 22 |
| El Salvador | | 1 | | | | | 1 | | 2 | | | | | | | 2 | 1 | 3 | 5 |
| Ethiopia | | | | | 1 | | | | 1 | | 3 | | | | | 2 | | 5 | 6 |
| Finland | | 16 | | 3 | 2 | | | | 21 | | | | | | | | | | 21 |
| France | | 5 | 4 | | | | 1 | | 10 | | 1 | | | | | | | 1 | 11 |
| French Togoland | | | 1 | | | | | | 1 | | | | | | | | | | 1 |
| C/Fwd. | 125 | 99 | 20 | 12 | 8 | 2 | 22 | | 288 | 43 | 10 | 2 | 4 | | | 36 | 3 | 98 | 386 |

TABLE 2—*Con.*

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958, BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

| Country | Calendar Years 1950–1957 | | | | | | | | | From 1 January 1958 to date | | | | | | | | | | Grand Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | Others | Total | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | West Indies and Ghana plans | Others | Total | |
| B/Fwd. | 125 | 99 | 20 | 12 | 8 | 2 | 22 | — | 288 | 43 | 10 | 2 | 4 | — | — | 36 | | 3 | 98 | 386 |
| Germany | | | | | | | 1 | | 1 | | | | | | | | | | | 1 |
| Ghana | | | | | | | | | | | | | | | | | 3 | | 3 | 3 |
| Gold Coast | | 3 | | | | | | | 3 | | | | | | | | | | | 3 |
| Greece | | 1 | 1 | | | | | | 2 | | | | | | | 1 | | 2 | 3 | 5 |
| Guatemala | | 1 | 1 | 1 | | | | | 3 | | | | | | | | | | | 3 |
| Haiti | | 6 | 5 | | | 1 | | | 12 | | | | | | | 2 | | | 2 | 14 |
| Honduras | | | | | | | | | | | | | | | | 3 | | | 3 | 3 |
| Hong Kong | | 2 | | | | | | | 2 | | | | | | | | | | | 2 |
| India | 257 | 26 | 4 | 4 | | | 1 | 3 | 295 | 34 | | | | | | 1 | | 6 | 41 | 336 |
| Indonesia | 129 | 3 | 2 | | 1 | | 9 | | 144 | 34 | | | | | | 3 | | 1 | 38 | 182 |
| Iran | | 11 | 3 | 1 | | | 5 | 1 | 21 | | 1 | | 1 | | | 4 | | | 6 | 27 |
| Iraq | | 4 | 1 | 2 | | | | | 7 | | | | | | | 5 | | | 5 | 12 |
| Israel | | 10 | | 2 | | | 7 | 1 | 20 | | 1 | | | | 1 | | | | 2 | 22 |
| Japan | | 3 | 1 | | | | | | 4 | | 1 | | 1 | | | | | 2 | 4 | 8 |
| Jordan | | 4 | 1 | | | | | | 5 | | | | | | | | | | | 5 |
| Korea | | 11 | | | | | 11 | | 22 | | | | | | | 25 | | | 25 | 47 |
| Laos | 16 | | | | | | | | 16 | 1 | | | | | | | | | 1 | 17 |
| Lebanon | | 1 | | | | | | | 1 | | | | | | | | | | | 1 |
| Liberia | | | | | | | | | | | | | | | | | | 2 | 2 | 2 |
| Malaya | 10 | | 1 | | | | | | 11 | 7 | | | | | | | | | 7 | 18 |
| Malta | | 2 | | | | | | | 2 | | | | | | | | | | | 2 |
| Mexico | | 4 | | 1 | | | 1 | | 6 | | 1 | | 1 | | | 1 | | 1 | 4 | 10 |
| Morocco | | | | | | | | | | | 1 | 1 | | | | | | | 2 | 2 |
| Nepal | | 3 | | | | | | | 3 | | | | | | | | | | | 3 |
| Netherlands | | 1 | | | | | | | 1 | | | | | | | | | | | 1 |
| New Zealand | | | | | | | | | | | 1 | | | | | | | | 1 | 1 |
| Nicaragua | | | | | 1 | | | | 1 | | | | | | | 1 | | | 1 | 2 |
| Nigeria | | 2 | | | | | | | 2 | | | | | | | | | | | 2 |
| North Borneo | 1 | | | | | | | | 1 | 4 | | | | | | | | | 4 | 5 |
| Norway | | 3 | 1 | | | | 1 | | 5 | | | 1 | | | | | | | 1 | 6 |
| Nyasaland (Netherlands Citizen) | | | 1 | | | | | | 1 | | | | | | | | | | | 1 |
| Pakistan | 232 | 28 | 4 | 1 | | 1 | 7 | | 273 | 25 | | | | | | 5 | | 1 | 31 | 304 |
| C/Fwd. | 770 | 228 | 46 | 24 | 10 | 4 | 65 | 5 | 1,152 | 148 | 16 | 4 | 7 | | 1 | 87 | 3 | 18 | 284 | 1,436 |

TABLE 2—*Conc.*

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958, BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

| Country | Calendar Years 1950–1957 | | | | | | | | | From 1 January 1958 to date | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | Others | Total | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | West Indies and Ghana plans | Others | Total | Grand Total |
| B/Fwd | 770 | 228 | 46 | 24 | 10 | 4 | 65 | 5 | 1,152 | 148 | 16 | 4 | 7 | | 1 | 87 | 3 | 18 | 284 | 1,436 |
| Panama | | 2 | | | | | | | 2 | | 1 | | | | | 4 | | | 5 | 7 |
| Paraguay | | | | | | | | | | | | | | | | 1 | | | 1 | 1 |
| Peru | | | | | | | | | | | | | | | | 1 | | 1 | 2 | 2 |
| Philippines | | 5 | | | 1 | 1 | 14 | | 21 | 1 | | | | | | 8 | | 3 | 12 | 33 |
| Poland | | | | | | | | | | | 2 | | | | | | | | 2 | 2 |
| Puerto Rico | | | | | | | | 1 | 1 | | | | | | | 2 | | | 2 | 3 |
| Sarawak | 3 | | | | | | | | 3 | 2 | | | | | | | | | 2 | 5 |
| Saudi Arabia | | | | | | | 1 | | 1 | | | | | | | | | | | 1 |
| Singapore | 6 | 2 | | | | | | | 8 | | | | | | | | | | | 8 |
| Solomon Islands | | 1 | | | | | | 1 | 2 | | | | | | | | | | | 2 |
| South Africa | | 1 | 1 | | | | | | 2 | | | | | | | | | | | 2 |
| Southern Rhodesia | | | | 1 | | | | | 1 | | | | | | | | | | | 1 |
| Sweden | | 3 | | | | 1 | | 1 | 5 | | | | | | | | | | | 5 |
| Switzerland | | 2 | | | | | | | 2 | | | | | | | | | | | 2 |
| Syria | | | 5 | 1 | | | | | 6 | | | | 1 | | | | | | 1 | 7 |
| Taiwan | | 16 | 1 | | | | 3 | | 20 | | 3 | | | | 1 | 5 | | | 9 | 29 |
| Tanganyika | | | | 1 | | | | | 1 | | | | | | | | | | | 1 |
| Thailand | 3 | 6 | 5 | 2 | 1 | 1 | 16 | | 34 | 2 | | | | | | 10 | | | 12 | 46 |
| Trinidad | | | | | | | | | | | 1 | | | | | | | | 1 | 1 |
| Tunisia | | | | | | | | | | | 2 | | | | | 2 | | | 4 | 4 |
| Turkey | | 2 | 1 | 9 | | | 1 | | 13 | | 1 | | 2 | | | | | 2 | 5 | 18 |
| United Kingdom | | | | | | | 2 | | 2 | | | | | | | | | | | 2 |
| Uruguay | | 4 | 1 | | | | 1 | | 6 | | 1 | | | | | | | | 1 | 7 |
| Venezuela | | 4 | | | | | | | 4 | | | | | | | | | | | 4 |
| Viet Nam | 56 | | | | | | 1 | | 57 | 29 | | | | | | 6 | | 1 | 36 | 93 |
| Virgin Islands | | 3 | | | | | | | 3 | | | | | | | | | | | 3 |
| West Indies | | 8 | | 2 | | | 2 | | 12 | | | | | | | | 5 | | 5 | 17 |
| Yugoslavia | | 2 | | | | | | | 2 | | 4 | | | | | 6 | | | 10 | 12 |
| Grand Total | 838 | 289 | 60 | 40 | 12 | 7 | 106 | 8 | 1,360 | 182 | 31 | 4 | 10 | | 2 | 132 | 8 | 25 | 394 | 1,754 |

TABLE 3

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

| | Calendar Years 1950–1957 | | | | | | | | | From 1 January 1958 to date | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Field of study | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | Others | Total | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | West Indies and Ghana plans | Others | Total | Grand Total |
| AERIAL SURVEY | 5 | | | | | | | | 5 | 3 | | | | | | | | | 3 | 8 |
| Photogrammetry | 8 | | | | | | | | 8 | | | | | | | | | | | 8 |
| | | | | | | | | | — 13 | | | | | | | | | | | — 16 |
| AGRICULTURE | 16 | | 1 | | | | | | 17 | 9 | | | | | | | | | 9 | 26 |
| Agronomy | 2 | | | 1 | | | | | 3 | | | | | | | | | | | 3 |
| Animal Husbandry | 7 | | | | | | | | 7 | 1 | | | | | | | | | 1 | 8 |
| Biological Control | 2 | | | | | | | | 2 | | | | | | | | | | | 2 |
| Botany | 3 | | | 1 | | | | | 4 | 1 | | | | | | | | | 1 | 5 |
| Cereal Technology | | | | | | | | | | 1 | | | 2 | | | | | | 3 | 3 |
| Chemistry | 4 | | | | | | | | 4 | | | | | | | | | | | 4 |
| Dairying | 1 | | | | | | | | 1 | | | | | | | | | | | 1 |
| Economics | 3 | | | | | | | | 3 | 1 | | | | | | | | | 1 | 4 |
| Engineering | 47 | | 1 | | | | | | 48 | 30 | | | | | | | | | 30 | 78 |
| Entomology | | | | | | | | | | 1 | | | | | | | | | 1 | 1 |
| Farm Mechanics | 4 | | | 1 | | | | | 5 | | | | 2 | | | | | | 2 | 7 |
| Fertilizer Manufacture | | 1 | | | | | | | 1 | | | | | | | | | | | 1 |
| Grain Storage and Distribution | 15 | | | 10 | | | | | 25 | | | | | | | | | | | 25 |
| Government Agricultural Administration | 2 | | | 1 | | | | | 3 | | | | | | | | | | | 3 |
| Helminthology | 1 | | | | | | | | 1 | | | | | | | | | | | 1 |
| Horticulture | 1 | | | | | | | | 1 | | | | | | | | | | | 1 |
| Meat Packing and Cold Storage | | 1 | | 1 | | | | | 2 | | | | | | | | | | | 2 |
| Mycology | 2 | | | | | | | | 2 | | | | | | | | | | | 2 |
| Plant Pathology | 3 | | | 1 | | | | | 4 | | | | | | | | | | | 4 |
| Soil Science | 8 | | | 1 | | | | | 9 | 1 | | | | | | | | | 1 | 10 |
| Tobacco Research and Production | 2 | 1 | | 1 | | | | | 4 | | | | | | | | | | | 4 |
| Veterinary Science | 5 | 2 | | | | | | | 7 | | | | | | | | | | | 7 |
| | | | | | | | | | — 153 | | | | | | | | | | | — 202 |
| C/Fwd | 141 | 5 | 2 | 18 | — | — | — | — | 166 | 48 | — | — | 4 | — | — | — | — | — | 52 | 218 |

TABLE 3—*Con.*

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

| Field of Study | Calendar Years 1950–1957 | | | | | | | | | From 1 January 1958 to date | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | Others | Total | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | West Indies and Ghana plans | Others | Total | Grand Total |
| B/Fwd. | 141 | 5 | 2 | 18 | — | — | — | — | 166 | 48 | | — | 4 | — | — | — | — | — | 52 | 218 |
| Accountancy | 20 | 10 | | | | | | 1 | 31 | 4 | | | | | | 1 | | | 5 | 36 |
| Aviation | 1 | | | | 9 | | | | 10 | 2 | | | | | | | | | 2 | 12 |
| Banking | 1 | 1 | | | | | 4 | | 6 | | | | | | | 9 | | | 9 | 15 |
| Biochemistry & Enzymology | 5 | | | | | | | | 5 | 1 | | | | | | | | | 1 | 6 |
| Business Administration | 3 | 2 | | | | | | | 5 | | | | | | | | | | | 5 |
| Cement Manufacture | 6 | 1 | | | | | | | 7 | 22 | | | | | | | | | 2 | 9 |
| Pre-Cast Concrete Manufacture | 1 | | | | | | | | 1 | | | | | | | | | | | 1 |
| | | | | | | | | | — 8 | | | | | | | | | | | — 10 |
| Chemical Industry | 5 | | | | | | | | 5 | | | | | | | | | | | 5 |
| Chemistry | 18 | | | | | | | | 18 | 3 | 1 | | | | | | | | 4 | 22 |
| Commerce | 9 | | | | | | | 1 | 10 | 1 | 1 | | | | | | | | 2 | 12 |
| Co-operatives and Marketing | 41 | 10 | 3 | 7 | | 2 | 5 | | 68 | 4 | | | | | | | | | 4 | 72 |
| Economics | 2 | 1 | 1 | | 2 | | | | 6 | 3 | 4 | | | | | | | | 7 | 13 |
| Education | 20 | | 37 | | | | | | 57 | 1 | | 2 | | | | 8 | | | 11 | 68 |
| Educational Psychology | | | 2 | | | | 1 | | 3 | | | | | | | | | | | 3 |
| | | | | | | | | | — 60 | | | | | | | | | | | 71 |
| Engineering | 5 | | | | | | | | 5 | 1 | | | | | | | | | 1 | 6 |
| Agricultural (See Agriculture) | | | | | | | | | | | | | | | | | | | | |
| Applied | 19 | | | | | | | | 19 | | | | | | | | | | | 19 |
| Chemical | 5 | 1 | 1 | | | | | | 7 | 3 | | | | | | | | | 3 | 10 |
| | | | | | | | | | — 31 | | | | | | | | | | | — 35 |
| C/Fwd. | 302 | 31 | 46 | 25 | 11 | 12 | 10 | 2 | 429 | 73 | 6 | 2 | 4 | — | — | 18 | — | — | 103 | 532 |

TABLE 3—*Con.*

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

| Field of Study | Calendar Years 1950–1957 | | | | | | | | | From 1 January 1958 to date | | | | | | | | | | Grand Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | Others | Total | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | West Indies and Ghana plans | Others | Total | |
| ENGINEERING—(Cont'd) | | | | | | | | | | | | | | | | | | | | |
| B/Fwd | 302 | 31 | 46 | 25 | 11 | 2 | 10 | 2 | 429 | 73 | 6 | 2 | 4 | | | 18 | | | 103 | 532 |
| Civil | 30 | 9 | | | | | | | 39 | 5 | | | | | | | | | 5 | 44 |
| Electrical | 25 | 6 | | | | | | | 31 | 9 | | | | | | 1 | | | 10 | 41 |
| Hydro-Electrical | 29 | 4 | | | | | | | 33 | 3 | | | | | | | | | 3 | 36 |
| Irrigation | 5 | | | | | | | | 5 | | | | | | | | | | | 5 |
| Marine | | | | | | | | | | 1 | | | | | | | | | 1 | 1 |
| Mechanical | 30 | | | | | | | | 30 | 5 | | | | | | | | | 5 | 35 |
| Mining (see mining) | | | | | | | | | | | | | | | | | | | | |
| Nuclear | 32 | | | | | | | | 32 | | | | | | | | | | | 32 |
| Radio | | | | | | | | | | 1 | | | | | | | | | 1 | 1 |
| Thermal-Electrical | 3 | | | | | | | | 3 | | | | | | | | | | | 3 |
| Thermo-Dynamics | 1 | | | | | | | | 1 | | | | | | | | | | — 25 | 1 |
| | | | | | | | | | — 174 | | | | | | | | | | | — 196 |
| FISHERIES | 19 | 1 | | 5 | | | 1 | | 26 | 7 | 1 | | 3 | | | | | | 11 | 37 |
| FORESTRY | 18 | 2 | | 5 | | | 5 | | 30 | 5 | | | 1 | | | | 3 | | 9 | 39 |
| GEOLOGY | 10 | 6 | | | | | | | 16 | 14 | | | | | | | | | 14 | 30 |
| HEALTH SERVICES | | | | | | | | | | | | | | | | | | | | 2 |
| Anaesthesiology | 2 | | | | | | | | 2 | | | | | | | | | | | 1 |
| Anatomy | 1 | | | | | | | | 1 | | | | | | | | | | | 3 |
| Bacteriology | 3 | | | | | | | | 3 | | | | | | | | | | | 3 |
| Cardiology | 3 | | | | | | | | 3 | | | | | | | | | | | 3 |
| Dentistry | 3 | | | | | | | | 3 | | | | | | | | | | | 1 |
| Dermatology | 1 | | | | | | | | 1 | | | | | | | | | | | — 13 |
| | | | | | | | | | — 13 | | | | | | | | | | | |
| C/Fwd | 517 | 59 | 46 | 35 | 11 | 2 | 16 | 2 | 688 | 123 | 7 | 2 | 8 | | | 19 | 3 | | 162 | 850 |

TABLE 3—*Con.*

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

| Field of Study | Calendar Years 1950–1957 | | | | | | | | | From 1 January 1958 to date | | | | | | | | | | Grand Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | Others | Total | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | West Indies and Ghana plans | Others | Total | |
| HEALTH SERVICES—(Cont'd) B/Fwd. | 521 | 59 | 46 | 35 | 11 | 2 | 16 | 2 | 688 | 123 | 7 | 2 | 8 | | | 19 | 3 | | 162 | 850 |
| Genito-Urinary Surgery | 2 | | | | | | | | 2 | | | | | | | | | | | 2 |
| Hospital Administration | 3 | | | | | | | | 3 | | | | | | | | | | | 3 |
| Medical Photography | 1 | | | | | | | | 1 | | | | | | | | | | | 1 |
| Medicine | 2 | | | | | | | | 2 | | | | | | | 2 | 3 | | 5 | 7 |
| Microbiology | 2 | | | | | | | | 2 | | | | | | | | | | | 2 |
| Neo-Natal Pathology | 1 | | | | | | | | 1 | | | | | | | | | | | 1 |
| Neuro-Pathology | 1 | | | | | | | | 1 | | | | | | | | | | | 1 |
| Nutrition and Dietetics | 5 | | | 1 | | | | | 6 | | | | | | | | | | | 6 |
| Nursing | 22 | | | | | | 4 | | 26 | 5 | | | | | | | | | 5 | 31 |
| Obstetrics and Gynaecology | 7 | | | | | | | | 7 | | | | | | | | | | | 7 |
| Ophthalmology | 2 | | | | | | | | 2 | | | | | | | | | | | 2 |
| Otolaryngology | 2 | | | | | | | | 2 | | | | | | | | | | | 2 |
| Pathology | 2 | | | | | | | | 2 | 1 | | | | | | | | | 1 | 3 |
| Pediatrics | 3 | | | | | | | | 3 | 1 | | | | | | | | | 1 | 4 |
| Pharmacy | 3 | 2 | | | | | | | 5 | 1 | | | | | | | | | 1 | 6 |
| Pharmacology | 2 | | | | | | | | 2 | | | | | | | | | | | 2 |
| Physiology | 4 | | | | | | | | 4 | 1 | | | | | | | | | 1 | 5 |
| Psychiatry | 1 | | | | | | | | 1 | | | | | | | | | | | 1 |
| Public Health | 19 | 1 | | | | | | | 20 | 9 | | | | | | 8 | | | 17 | 37 |
| Radiology | 5 | | | | | | | | 5 | 1 | | | | | | | | | 1 | 6 |
| Surgery | 3 | | | | | | | | 3 | 1 | | | | | | | | | 1 | 4 |
| Therapy | 1 | 1 | | | | | | | 2 | | | | | | | | | | | 2 |
| Tuberculosis | 8 | | | | | | | | 8 | | | | | | | | | | 33 | 8 |
| | | | | | | | | | — 110 | | | | | | | | | | | — 143 |
| C/Fwd. | 618 | 63 | 46 | 36 | 11 | 2 | 20 | 2 | 798 | 143 | 7 | 2 | 8 | | | 29 | 6 | | 195 | 993 |

TABLE 3—*Con.*

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

| Field of Study | Calendar Years 1950–1957 | | | | | | | | | From 1 January 1958 to date | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | Others | Total | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | West Indies and Ghana plans | Others | Total | Grand Total |
| B/Fwd | 618 | 63 | 46 | 36 | 11 | 2 | 20 | 2 | 798 | 143 | 7 | 2 | 8 | | | 29 | 6 | | 195 | 993 |
| Housing and Town Planning | | 5 | | | | | | | 5 | 7 | | | | | | | | | 7 | 12 |
| Immigration and Settlemant | 6 | | | | | | 1 | | 7 | | 1 | | | | | | | | 1 | 8 |
| Industrial Development and Management | 7 | 10 | | | | | | | 17 | | | | | | | | | | | 17 |
| Insurance | | 1 | | | | | | | 1 | | | | | | | | | | | 1 |
| Iron and Steel Industry | 1 | 1 | | | | | | | 2 | | | | | | | | | | | 2 |
| Labour | 3 | | | | | 1 | 3 | | 7 | | | | | | | 2 | | | 2 | 9 |
| Library Science | 2 | | | | | | | | 2 | | | | | | | | | | | 2 |
| Mathematics | 1 | | | | | | | | 1 | | | | | | | | | | | 1 |
| Meteorology | | 2 | 1 | | 1 | | | | 4 | | | | | | | | | | | 4 |
| Mining | 7 | 8 | | | | | | | 15 | | | −1 | | | | | | | 1 | 16 |
| Beneficiation & Processing | | | | | | | | | | 2 | | | | | | | | | 2 | 2 |
| Engineering | 4 | | | | | | | | 4 | 6 | | | | | | | | | 6 — 9 | 10 |
| Labour Safety | | | | | | 2 | | | 2 — 21 | | | | | | | | | | | 2 — 28 |
| Optics | 1 | | | | | | | | 1 | | | | | | | | | | | 1 |
| Oil and Gas Well Conservation | 1 | 1 | | | | | | | 2 | | | | | | | | | | | 2 |
| Oil and Gas Technology | 3 | | | | | | | | 3 | 1 | | | | | | | | | 1 | 4 |
| Paleontology | 1 | | | | | | | | 1 | | | | | | | | | | | 1 |
| Patents, Copyrights & Trademarks | | | | | | | | | | 1 | | | | | | 3 | | | 4 | 4 |
| C/Fwd | 655 | 91 | 47 | 36 | 12 | 5 | 24 | 2 | 872 | 160 | 8 | 3 | 8 | | | 34 | 6 | | 219 | 1,091 |

TABLE 3—*Con.*

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

| Field of Study | Calendar Years 1950–1957 | | | | | | | | | From 1 January 1958 to date | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | Others | Total | Colombo Plan | United Nations | UNESCO | FAO | ICAO ILO | ICA | West Indies and Ghana plans | Others | Total | Grand Total |
| B/Fwd. | 655 | 91 | 47 | 36 | 12 | 5 | 24 | 2 | 872 | 160 | 8 | 3 | 8 | ... | 34 | 6 | ... | 219 | 1,091 |
| PHOTOGEOLOGY | 2 | 1 | ... | ... | ... | ... | ... | ... | 3 | ... | ... | ... | ... | ... | ... | ... | ... | ... | 3 |
| PHOTOLITHOGRAPHY | 1 | ... | ... | ... | ... | ... | ... | ... | 1 | ... | ... | ... | ... | ... | ... | ... | ... | ... | 1 |
| PHYSICS | 5 | ... | ... | ... | ... | ... | ... | ... | 5 | ... | ... | ... | ... | ... | ... | ... | ... | ... | 5 |
| Nuclear Physics | 4 | ... | ... | ... | ... | ... | ... | ... | 4 | 1 | ... | ... | ... | ... | ... | ... | ... | 1 | 4 |
| | | | | | | | | | — 9 | | | | | | | | | | — 10 |
| POLICE ADMINISTRATION | 20 | ... | ... | ... | ... | ... | 6 | ... | 26 | 1 | ... | ... | ... | ... | 2 | ... | ... | 3 | 29 |
| PRINTING AND ENGRAVING | 1 | ... | ... | ... | ... | ... | ... | ... | 1 | ... | ... | ... | ... | ... | ... | ... | ... | ... | 1 |
| PSYCHOLOGY | 1 | ... | 2 | ... | ... | ... | ... | ... | 3 | ... | ... | ... | ... | ... | ... | ... | ... | ... | 3 |
| Child Psychology | 1 | ... | ... | ... | ... | ... | ... | ... | 1 | ... | ... | ... | ... | ... | ... | ... | ... | ... | 1 |
| | | | | | | | | | — 4 | | | | | | | | | | — 4 |
| PUBLIC ADMINISTRATION | 45 | 41 | ... | ... | ... | 1 | 37 | ... | 124 | 2 | 9 | ... | ... | ... | 37 | 1 | 5 | 54 | 178 |
| PUBLIC FINANCE | 9 | 44 | ... | ... | ... | ... | 22 | 2 | 77 | 4 | 2 | ... | ... | ... | 29 | ... | 19 | 54 | 131 |
| PUBLIC INFORMATION SERVICES | 2 | ... | ... | ... | ... | ... | ... | ... | 2 | ... | ... | ... | ... | ... | ... | ... | ... | ... | 2 |
| Journalism | 4 | ... | ... | ... | ... | ... | ... | ... | 7 | ... | ... | 1 | ... | ... | ... | ... | ... | 1 | 8 |
| Film Board | 2 | 1 | 5 | ... | ... | ... | 1 | ... | 9 | 2 | ... | ... | ... | ... | ... | ... | ... | 2 | 11 |
| Radio Broadcasting and Television | 11 | 2 | 3 | ... | ... | ... | ... | ... | | 3 | ... | ... | ... | ... | ... | 1 | ... | 4 | 20 |
| | | | | | | | | | 16— 34 | | | | | | | | | | 41 |
| C/Fwd. | 766 | 180 | 57 | 36 | 12 | 6 | 90 | 4 | 1,151 | 173 | 19 | 4 | 8 | ... | 102 | 8 | 24 | 338 | 1,489 |

TABLE 3—*Con.*

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

| Field of Study | Calendar Years 1950–1957 | | | | | | | | | From 1 January 1958 to date | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | Others | Total | Colombo Plan | United Nations | UNESCO | FAO | ICAO | ILO | ICA | West Indies and Ghana plans | Others | Total | Grand Total |
| B/Fwd. | 766 | 180 | 57 | 36 | 12 | 6 | 90 | 4 | 1,151 | 173 | 19 | 4 | 8 | ... | ... | 102 | 8 | 24 | 338 | 1,489 |
| Pulp and Paper Manufacture | 14 | ... | ... | 2 | ... | ... | ... | 1 | 17 | ... | ... | ... | 1 | ... | ... | ... | ... | ... | 1 | 18 |
| Railways | 19 | 24 | ... | ... | ... | ... | ... | 3 | 46 | ... | 1 | ... | ... | ... | ... | ... | ... | ... | 1 | 47 |
| Refrigeration | 1 | ... | ... | ... | ... | ... | ... | ... | 1 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 1 |
| Rivery Survey and Conservancy | 3 | 1 | ... | ... | ... | ... | ... | ... | 4 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 4 |
| Road and/or River Transport | 5 | 3 | ... | ... | ... | ... | ... | ... | 8 | 1 | ... | ... | ... | ... | ... | ... | ... | ... | 1 | 9 |
| Rubber Manufacture | ... | ... | ... | ... | ... | ... | ... | ... | ... | 1 | ... | ... | ... | ... | ... | ... | ... | ... | 1 | 1 |
| Social Welfare | 7 | 46 | 2 | 1 | ... | ... | 1 | ... | 57 | 2 | 7 | ... | ... | ... | ... | ... | ... | 1 | 10 | 67 |
| Statistics | 16 | 27 | 1 | 1 | ... | 1 | 15 | ... | 61 | 3 | 4 | ... | 1 | ... | 2 | 24 | ... | ... | 34 | 95 |
| Technical Trades | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 2 | ... | ... | 2 | 2 |
| Telecommunications | 7 | 8 | ... | ... | ... | ... | ... | ... | 15 | 1 | ... | ... | ... | ... | ... | 4 | ... | ... | 5 | 20 |
| Trade Fair Techniques | ... | ... | ... | ... | ... | ... | ... | ... | ... | 1 | ... | ... | ... | ... | ... | ... | ... | ... | 1 | 1 |
| TOTAL | 838 | 289 | 60 | 40 | 12 | 7 | 106 | 8 | 1,360 | 182 | 31 | 4 | 10 | ... | 2 | 132 | 8 | 25 | 394 | 1,754 |

TABLE 4

NUMBER OF EXPERTS RETAINED FOR SERVICE ABROAD FOR COLOMBO PLAN COUNTRIES AND THE WEST INDIES FROM 1950 TO 31 DECEMBER 1958, BY COUNTRY AND DEPARTURES AND RETURNS EACH YEAR

| — | Sent Abroad | | | | | | | | | Returned to Canada | | | | | | | Number abroad as at 31 December 1958 | Comparative number as at December 31, 1957 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | Total | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | Total | | |
| COLOMBO PLAN | | | | | | | | | | | | | | | | | | |
| Burma | ..... | ..... | ..... | 1 | 1 | 1 | 3 | 4 | 10 | ..... | ..... | 1 | 1 | 1 | ..... | 3 | 7 | 4 |
| Cambodia | ..... | ..... | ..... | 2 | 1 | 1 | ..... | ..... | 4 | ..... | 1 | 2 | 1 | ..... | ..... | 4 | ..... | ..... |
| Ceylon | 2 | 5 | 7 | 9 | 5 | 5 | 5 | 3 | 41 | 3 | 5 | 5 | 5 | 3 | 8 | 29 | 12 | 17 |
| India | ..... | ..... | ..... | 3 | 3 | 3 | 7 | 4 | 20 | ..... | ..... | ..... | 2 | 10 | 4 | 16 | 4 | 4 |
| Indonesia | ..... | ..... | ..... | 1 | 1 | 2 | 1 | 3 | 8 | ..... | ..... | ..... | 2 | ..... | ..... | 2 | 6 | 3 |
| Laos | ..... | ..... | ..... | ..... | ..... | ..... | 1 | ..... | 1 | ..... | ..... | ..... | ..... | 1 | ..... | 1 | ..... | ..... |
| Malaya | ..... | ..... | 6 | 2 | 1 | 6 | ..... | ..... | 15 | ..... | 3 | 1 | 4 | 4 | 2 | 14 | 1 | 3 |
| North Borneo | ..... | ..... | ..... | 1 | ..... | ..... | ..... | ..... | 1 | ..... | ..... | ..... | 1 | ..... | ..... | 1 | ..... | ..... |
| Pakistan | ..... | ..... | 4 | 4 | 3 | 2 | 1 | 2 | 16 | 1 | 1 | 7 | 1 | 3 | 2 | 15 | 1 | 1 |
| Sarawak | ..... | ..... | ..... | ..... | ..... | ..... | 3 | 1 | 4 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 4 | 3 |
| Singapore | ..... | ..... | ..... | ..... | ..... | 1 | 1 | 1 | 3 | ..... | ..... | ..... | ..... | 1 | 1 | 2 | 1 | ..... |
| Thailand | ..... | ..... | ..... | ..... | ..... | ..... | 1 | ..... | 1 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 1 | 1 |
| Two or more countries | ..... | ..... | 4 | 1 | ..... | ..... | ..... | 1 | 6 | 4 | 1 | ..... | ..... | ..... | 1 | 6 | ..... | 1 |
| TOTAL COLOMBO PLAN | 2 | 5 | 21 | 24 | 15 | 21 | 23 | 19 | 130 | 8 | 11 | 16 | 17 | 23 | 18 | 93 | 37 | 37 |
| WEST INDIES | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 7 | 7 | ..... | ..... | ..... | ..... | ..... | 2 | 2 | 5 | ..... |
| GHANA | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 2 | 2 | ..... | ..... | ..... | ..... | ..... | 2 | 2 | ..... | ..... |
| GRAND TOTAL | 2 | 5 | 21 | 24 | 15 | 21 | 23 | 28 | 139 | 8 | 11 | 16 | 17 | 23 | 22 | 97 | 42 | 37 |

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959



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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

*Chairman:* H. O. WHITE, Esq.

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

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THURSDAY, APRIL 16, 1959

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ESTIMATES OF THE DEPARTMENT OF EXTERNAL AFFAIRS—1959-60

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WITNESS:

General A. G. L. McNaughton, Chairman, Canadian Section of the International Joint Commission.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20963-5—1

STANDING COMMITTEE ON EXTERNAL AFFAIRS

*Chairman*: H. O. White, Esq.,

and Messrs.

Aitken (Miss),
Allard,
Argue,
Cardin,
Crestohl,
Dinsdale,
Dorion,
Eudes,
Fairfield,
Garland,
Hellyer,
Herridge,
Jones,
Jung,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Macquarrie,
Mandziuk,
Martin (*Essex East*),
McCleave,
McGee,
Montgomery,
Nesbitt,
Nugent,
Pearson,
Pratt,
Richard (*Ottawa East*),
Smith (*Calgary South*),
Stinson,
Valade,
Vivian.

J. E. O'Connor,
*Clerk of the Committee.*

# MINUTES OF PROCEEDINGS

THURSDAY, April 16, 1959.

The Standing Committee on External Affairs met at 9.15 a.m. this day. The Chairman, Mr. H. O. White, presided.

*Members present:* Miss Aitken, Messrs. Allard, Crestohl, Fairfield, Garland, Herridge, Kucherepa, Lennard, MacLellan, Mandziuk, McCleave, McGee, Montgomery, Nugent, Pratt, Smith (*Calgary South*), Stinson and White—18.

*In attendance: From The International Joint Commission (Canadian* Section): General A. G. L. McNaughton, Chairman; Miss E. M. Sutherland, Secretary; Mr. D. G. Chance, Assistant Secretary; Mr. E. R. Peterson, Engineering Adviser; Mr. J. L. MacCallum, Legal Adviser; and Mr. A. J. Murphy, Draftsman.

The Chairman read into the record information sought at the previous meeting. He also invited Committee members to submit recommendations for inclusion in the Committee's "Report to the House".

The Committee resumed its consideration of the Main Estimates, 1959-60, of the Department of External Affairs.

The following items respecting the International Joint Commission were called and considered:

Item numbered 96—Salaries and Expenses of Canadian Section;

Item numbered 97—Canada's share of expenses of studies and investigations of International Joint Commission.

General McNaughton, aided by his assistants, outlined the work of the International Joint Commission in Canada from the East Coast to the Souris River in Manitoba. In his statement he especially dealt with water levels in international waters, hydro-electric power and air and water pollution.

At 11.00 a.m. the Committee adjourned until 9.00 a.m. Thursday, April 23, 1959.

E. W. Innes,
*Acting Clerk of the Committee.*



20963-5—1½

# EVIDENCE

THURSDAY, April 16, 1959.
9.00 a.m

The CHAIRMAN: Gentlemen, please come to order. We now have a quorum. You will recall at the last meeting there were one or two questions to be answered. One of them related to the term helminthology. I now have an explanation for you from Dr. Ault.

> Helminthology is a branch of parasitology which deals particularly with the study of parasitic worms. The trainee involved was Dr. Devendra Prasad, lecturer in zoology at the University of Patna, India, who came to Canada in September 1955 to study at Macdonald College. He received his Ph.D. degree in June 1957 and returned to India to resume his teaching appointment. His special field of study was "The effects of micro-environment of the free-living stages of some nematodes."
>
> The members of the committee might be interested in the comments of Dr. T. W. M. Cameron, professor of parasitology at Macdonald College, who wrote to us on Dr. Prasad's graduation as follows:
>
> "He obtained first-class standing in his written examination and received a mark of 'excellent' from both the internal and external examiners on his thesis. It is unusual to achieve the grade of excellent from both examiners. On his oral examination following the submission of his thesis, Dr. Prasad acquitted himself so well that I am convinced that not only is he a first-class scientist, but also a first-class teacher".

I also invite members of the committee to make suggestions and recommendations for the committee's "Report to the House".

Mr. MCCLEAVE: May we hope that this scientist shares this rich experience with the Committee on Agriculture of the House of Commons?

The CHAIRMAN: I hope so. But since he has returned to India I suppose the only thing which is available would be a copy of his thesis. This could be obtained, no doubt.

Now, gentlemen, we are once again welcoming to this committee General McNaughton. He will of course, as you know, be dealing with the problems of the International Joint Commission.

I think all Canadians appreciate the work and negotiations that he has carried on very successfully with the United States. So, without further ado, I now call items 96 and 97.

**INTERNATIONAL JOINT COMMISSION**

| | |
|---|---|
| Item No. 96. Salaries and Expenses of the Commission including, subject to the approval of the Governor in Council and notwithstanding the International Boundary Waters Treaty Act, as amended, payment of salary of the Chairman at $17,500 per annum | $ 112,124 |
| Item No. 97. Canada's share of the expenses of studies, surveys and investigations of the International Joint Commission | $ 116,110 |
| | $ 228,234 |

I will call on General McNaughton who needs no introduction to this Committee.

General A. G. L. McNAUGHTON, M. C. (*Chairman, Canadian Section, International Joint Commission*): Thank you, sir. Mr. Chairman, it is indeed a very great privilege to come before this committee and to have the opportunity which I have had on several occasions over the last few years to bring to your attention the problems along the boundary between Canada and the United States in respect to boundary waters and rivers which flow across the boundary; to endeavour to give you the factual information which is necessary for an appreciation of this problem, and particularly for an evaluation of the very, very large Canadian interests which are involved and which we must share, of course, with our neighbours to the south. We must see to it, I think, that whatever division is made is an equitable one, and that the interests of our country are properly protected. That is what we are trying to do in the International Joint Commission.

To day I thought that the usual procedure which we have followed in the past seems to commend itself to the members. So I shall start with the various projects which we have before the commission and work from east to west, giving you a brief account not of the whole project but of the progress which has been made, and how we are getting along with the various studies in which we are engaged.

The purpose of this is to provide information, so that if I move over parts of it too quickly, I will certainly welcome the members asking questions at any time, because that would give me a chance to focus the information to suit the demand and requirements of the group that is here. If that is agreeable, I shall start with the Passamaquoddy tidal power project on the east coast at the mouth of the St. Croix river.

The tides at the mouth of the Bay of Fundy are very large compared with the usual tides experienced at other places on the ocean. They are made so by the topography of the region. In consequence, the possibility of obtaining useful power development there has engaged the attention of many people for many years.

In fact, under the influence of the late President Roosevelt, a development was started before World War II, but it was found to be too expensive on the basis they were then following, and it had to be abandoned.

Interest revived about November 1948, and as a result of that revival of interest the commission was asked to review all the plans which had been made, to make an analysis of the possibilities, and to advise the governments as to what should be done in the way of investigations in order to provide information necessary to objective conclusions in this matter.

The commission collected all the information relating to past endeavours, and in 1950 it made a report to the governments which outlined the investigations which would be required and the costs which would be incurred, and arrangements were made between the two countries to provide the funds. Then the commission was invited to proceed.

That instruction to the commission was comprised in similar letters which were sent, on August 2, 1956, to the two sections of the commission by the respective governments. The commission then proceeded to organize the work and to get started.

There were two distinct aspects of this work which had to be looked at. One, of course, was the engineering possibilities of developing a large amount of power by tides, and making use of them within transmission distance from where the power plants might be located. The other aspect was a defensive one, that of carrying out investigations to show, if it could be shown, that what would be done in the way of power developments would not adversely affect the fisheries of the region.

The commission thought the best way to organize the work was to set up two separate boards, one to deal with the fisheries aspect and the other

to deal with the engineering aspects, and to provide for a continuing liaison and interchange of information between these boards through the commission itself, so the members of the commission themselves could be accurately informed of everything that was going on.

That work has proceeded. We have had magnificent cooperation from the fisheries as well as from the engineering board, and they are now approaching the conclusion of their work. These boards were before the commission presenting their progress report in Washington in the early part of this month. We are assured we will have before us at the October meeting of the commission, the final reports of these two bodies, which are composed of eminent experts in their particular fields. Without the benefit of having these reports before us, it is too early to be too positive about the results.

Subject to certain provisos calling for access of anadromous fish to the pools, from the fisheries point of view we have pretty good assurance there would be no adverse effect on the fisheries of the region if these power plants were in fact constructed. That is a very satisfactory conclusion. It is a dominant factor, because with the great importance of the fisheries resources of that region it would not be possible, of course, for the commission to recommend they be interfered with to any serious extent, even if the power engineers were able to tell us the power was an economic possibility.

On the power side, the engineers have faced up to the fact that in the previous endeavours to find ways and means of developing power in the Passamaquoddy the actual dollar cost of those works clearly became the limiting factor. There is no doubt about power being there in very great quantities in these tides. The range runs on the average from perhaps 20-odd feet on the higher tides to about 15 feet on the lower, and there are immense quantities of power which can be taken out by turbines and generators. It is fundamentally a question of cost.

The early projects have been gone over most carefully. Each section of the region has been closely examined geologically, topographically and hydrographically. The depth of the ocean where these dams might be built has been measured and the quality of the bottom has been determined. The dams that have to be built have been relocated on a basis of minimum cost, more particularly because it is necessary to avoid having to build too much in the very deep channels, with the high currents which exist.

The engineers were unable to give us—and so I cannot give you—a forecast of what the economics will be. However, there is no doubt that they have cut the costs very very materially from those which were associated with the earlier studies—which of course were quite impossible. They ran to a result which would have represented on an everage about 17 mils per kilowatt hour, which is more than double the cost of steam power in the region. We could not possibly go ahead with that project.

However, with the engineering studies and improvements in design, and so on, which goes with it, the costs will be reduced very materially. We do not know yet whether or not it can be reduced to the point where we can recommend the project. It is not only on the topographic side that these studies have been made.

The electrical engineering groups in the country have taken an active interest. We now have improved turbines and improved generators which are of higher efficiency, are more adaptable and are larger. The project generally will call for the installation of some 30 turbines with their associated generators. The capacity of these machines on mean tide will be up to about 10,000 kilowatts each. That means we are dealing with an installation in the order of 300,000 kilowatts at mean tide. At high tides it will run higher, perhaps to 305,000 kilowatts. But that is not the whole story in dealing with

tidal development because tides fluctuate with the phases of the moon; they rise and fall twice a day, and in consequence there is a double pulsation of power.

If power is to be usable it must be dependable, and to be dependable there has to be another source of power associated with the tidal qualities. Two studies in that aspect are now in progress. One is a pump storage proposal on the north side of the basin in Canada. Another is that we should make use of the very large storage which is potentially available in the upper waters of the St. John river, above Fort Kent in Maine. There is a possibility there of developing storage of 2½ million acre-feet usable annually, and if that were made available to the St. John river below Fort Kent, which is largely Canadian, it opens the possibility of further development analogous to the Beechwood plant. Some of that power could be used for balancing off the tidal power project at Passamaquoddy.

Again at this stage I cannot tell you just what the economics are of that. We are assured from our two groups that we will have all that information at the end of this year.

Then the commission, which has been following this matter and currently keeping itself completely informed of all the progress, should not take very long to reach a conclusion within itself.

Mr. CRESTOHL: At the present time are there any installations in which power is generated by the rise and fall of the tides?

General MCNAUGHTON: There are a number of small installations throughout the world. I cannot claim that any of them are really practical propositions. The nearest approach to an effective development of tidal power is at Grenoble on the coast of Brittany in France.

While in Washington the other day I was speaking to the head of the Grenoble experimental establishment and he told me they are convinced they have an economic proposition.

Mr. CRESTOHL: The project here is still in its experimental stage?

General MCNAUGHTON: They are all in the experimental stage. In other words, they have a hope. That is, the engineering problems can be solved at a price, but so far in every case the price has been too high. I am now dealing with substantial developments. Of course the French have a different condition to face than we have. They have a tide which rises and falls the same as ours, twice a day, but they are in close proximity to the great French grid system. There is a reservoir into which their power can be poured at any time. It is an energy proposition and a matter of indifference as to whether or not it pulsates.

They gain as against steam power merely by generating, supplying and using the system itself to iron out the inequalities. We have no characteristic system such as they have. As matters stand, to get a connected system which would equalize the Passamaquoddy at 300,000 kilowatts, we would have to have a grid system running from Saint John, New Brunswick down to Boston, Maine. It is not a practical solution.

Mr. MCCLEAVE: On the point of equalization of power, has any study been made of the use of thermal power plants to make up these odd times?

General MCNAUGHTON: Yes. The thermal plants might very well be used in connection with it. But I am afraid if we depended upon thermal energy, we would not have very much advantage left for the tidal development because the reason we have gone into the tidal development is to try to decrease the price of the thermal power to the people.

If you have a 300,000 kilowatt tidal development and you have to put in 300,000 kilowatts of thermal energy on top of it, the result is not likely to be very much cheaper than the price of energy otherwise available.

Mr. MONTGOMERY: Has the research gone forward far enough that you can tell us the amount of power, should this go in, that Canada would get and the amount allotted to the United States side, or will it be allotted in quotas?

General MCNAUGHTON: Mr. Montgomery, there has been no arrangement yet as regards the allocation of the resulting product. The general understanding which we approved in this investigation is a fifty-fifty arrangement. That is on the tidal project itself. I should say that perhaps the enthusiasm for this investigation was mostly in the state of Maine. On our side we were perhaps not so convinced of the ultimate possibilities. So we made a deal that the cost of the engineering investigations would be carried out in the first instance mostly by the Americans who were enthusiastic about it. We reserved our position, that if the project was to be gone ahead with Canada would pay up her back share of the investigational costs and would be in this thing on a fifty-fifty basis.

We would not do the same thing on the fisheries side because, irrespective of what was done about the power, we had a very large fisheries interest to protect. Right from the start we insisted that, not only would we pay the full half share of the fisheries investigations, but that we would be free to do any additional investigations which might be required to follow up the need for protection of the Canadian industry.

Mr. MONTGOMERY: The power development would depend a great deal on the fisheries; is that right?

General MCNAUGHTON: As I indicated earlier, we have pretty good reason to believe, as the fisheries report stated—although not conclusively—that there is a hope that there would be no serious danger in respect of interference with the fisheries interests in the bay of Fundy.

Mr. MONTGOMERY: If the development in the upper regions of the St. John river in the northern part of the state of Maine and Quebec were more feasible and more economic so far as the maritimes is concerned, would they not get practically all the power which they could foresee the use of for quite a while?

General MCNAUGHTON: It is a thrilling prospect because the only thing which stands in the way of satisfactory developments on the St. John river—the extension of the Beechwood project with an installation at two other sites—is the question of the regulated flow from upstream and arrangements for storage.

The only large storage in the basin is in the upper St. John above Rankin rapids where, as I say, there is possibility of 2½ million acre-feet of storage usable annually, which is enough to regulate the St. John river.

Mr. MONTGOMERY: How would that affect the state of Maine? I suppose they would still require considerably more power than they would get from the development of the St. John river?

General MCNAUGHTON: The trouble from the viewpoint of the state of Maine in respect of the development at Rankin rapids is that at the present time there is no market in that state and it would mean a new industry would have to come into the region.

Until you have a prospective market for the power you cannot get people to look at the developments as practical matters. It will come some day. When it does the St. John river is worth, between Maine and New Brunswick, about half a million kilowatts of hydroelectric power. It is a matter of getting it, and getting it going. It is there.

Mr. CRESTOHL: In respect of this power developed from the tides, have the engineers indicated how far ahead into the future we would have to look in order to secure some energy or power from tidal waves?

General MCNAUGHTON: That is what we are trying to do now. That is what the engineers are trying to give us in the report which they are making on the Passamaquoddy project. We should know in the latter part of this year. We will have the report in October. There is every indication we shall have it then. You will have the commission's report about a year from now and we will then be able to tell you.

It is a certainty that the power can be made available and there is a hope that it may approach the economic. I cannot go further at this stage. It will not be cheap power, but it may be economic.

Mr. CRESTOHL: Is there now a demand for power in that area?

General MCNAUGHTON: There is a growing demand for power now in the maritimes, with the mining industry at the north end of the bay of Chaleur and other points asking for power at every turn. It is very desirable that every practical means should be given. If the cheap power is available we should try to provide it.

May I now turn to another maritime project in which we are very interested and that is the St. Croix reference. The St. Croix is not a large river, although it is an important one. It runs into the bay at St. Andrews and is of interest because it would go into one of the pools of the tidal power development.

Originally, some years ago the St. Croix was a very fine salmon river, but the nature of the development resulting in pulp and paper mills being built upstream has meant that the river became so contaminated with the waste which comes from mills that the runs of anadromous fish were eliminated. The rising interest of the people in recreation, in the restoration of fish and so on, the desire to clear up the pollution in the interests of the municipalities along the river, the improvement of the shell-fish industry in the Passamaquoddy region, at the mouth of the river, and so on, led the governments to ask the commission to make a study of the St. Croix and to study it particularly from the point of view of improving the power development along the river which was, of course, partially used, to eliminate pollution and improve it from a recreational point of view and the like.

We received this reference about four years ago. They were immediately placed in hand by a combined board of fisheries experts and engineers. We have the report of that board. It has been through the first stage of procedure. It was submitted to public hearings last summer in the district when people there were asked to express their opinions on it.

The results of this public expression of opinion have been taken into account and the commission's report has been drafted. It is now in process of discussion between the two sections of the commission. I have little doubt, after the progress which we made in Washington in the second week of April of this year, that within the next two or three months we will be able to make our report with positive recommendations to the governments.

It is evident that one of the power sites, at Milltown at the mouth of the river, which was formerly owned by one of the cotton companies, is a very useful small site. It may be worth eight or nine thousand kilowatts. People on the Columbia river do not think much of eight or nine thousand kilowatts, but in the maritimes it is an important block of power. Although it is a boundary water, we are assured that the claim of Canada to that site is supported and the site itself has been acquired by the New Brunswick electric power commission, and they are now engaged in planning the redevelopment.

In respect of the question of pollution, members of course know that the St. Croix is a boundary water and in consequence it comes under the provision of article IV of the treaty of 1909 which, with your permission, I would like to read:

> It is further agreed that the waters herein defined as boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other.

The investigation of the St. Croix board have conclusively shown that these waters are being polluted, that it is injurious to health and property in Canada and that it is pollution arising primarily in the United States. That is not to say that there is not also some pollution in Canada which has to be corrected.

Therefore it becomes mandatory under the provisions of the treaty of 1909 that corrective measures should be taken. Of course, the commission have to be very careful in proposing remedial measures, that due and proper consideration is given to the interests which would be affected, and to give time in order that improvements may be made. Otherwise something serious might happen to the great sources of employment in the region, and it would not therefore be advantageous to the people.

It requires a very carefully prepared and timed measure. This is what we are working on now, to arrive at a reasonable conclusion as to how to bring this about.

Mr. PRATT: Is that pollution industrial or domestic?

General MCNAUGHTON: In the particular case I had in mind, it is industrial pollution; it is waste from a paper mill going into the river, lignium, bark, sawdust and so on.

Mr. PRATT: Is there any appreciable degree of domestic pollution?

General MCNAUGHTON: Of a type. This is a river in which the domestic pollution has not been looked after by a sewage works and so on. So if we are to restore the shellfish industry in it, remedial steps must be taken. You cannot be asked suddenly to stop pollution and put a region back into a state of nature. You have to be practical about it. You have to set the tiller over and get the direction going right, and give a reasonable time for it to come about.

Mr. PRATT: Are the municipalities expected to look after this condition, or is the federal government expected to do it?

General MCNAUGHTON: The responsibility for the policy is a primary responsibility as far as we understand it, and it depends of course on the source of the pollution. If it is a federal source, then the federal government would be involved primarily, and if it is a provincial responsibility, it would fall upon that section in which it is generated.

Mr. MCGEE: What about the United States sector? Is it a federal responsibility there?

General MCNAUGHTON: The provincial responsibility in this matter has been recognized in New Brunswick by the passing of an act, and the N.B. water authority is bringing this into effect; it is in the process of getting organized to work. They have followed the notable example of Ontario which set up a water resources commission, for one reason namely, to improve the boundary waters in the connecting channels, and the boundary waters of the St. Lawrence system.

That has been taken up now in a very firm manner by the Ontario government, and we are really getting along very well in the cleaning up of that pollution. However, I would like to defer comment on the Ontario commission until we come to it a little later when I can give you more specific information.

On the United States side there is provision for very extensive support to municipalities by the federal authorities. The evidence before the commission would indicate that as long as we can evolve sensible and reasonable proposals, and do not get into too much of a hurry to get things done, there will be propounded solutions which will be acceptable to the people of the vicinity, which will bring about these improvements.

The need for improvement in these pollution matters is recognized, and the type of measures which are needed is known.

We have already from our experience in ten years or more of surveys and working on the connecting channels of the great lakes system, evolved what we call objectives in boundary waters quality control. We have decided on these objectives having regard to the situation in the boundary lakes and rivers, with one minor qualification, and the technical experts have reported that they are suitable. They are undoubtedly recommendations which we will make to the government, and they will prove to be an application of the objectives of quality control, and will prove the reason for the change that is needed.

That change is needed now in the great lakes connecting channels. We do not have the problem of anadromous fish, that is, fish migrating into the basin from the sea. But in the St. Croix that has been one of the matters we have been instructed to consider, and we have to make sure that the channels carry enough dissolved oxygen to take care of these incoming or outgoing fish. But it is not too difficult a matter to arrange.

The St. Croix has been a most interesting study from many points of view for the commission, and I venture not only to express satisfaction with the way in which our board has carried on in developing all the aspects of the rivers before us, but also with the fact that we are going to be able to give a very constructive, useful and acceptable report to the governments.

The CHAIRMAN: Are there any further questions on the St. Croix development?

Mr. HERRIDGE: Suppose the commission should find that the pollution occurring, as mentioned in the United States, is affecting a river flowing into Canada. What action would the commission take in order to correct that situation, whether it happens in the United States or in Canada?

General MCNAUGHTON: The action of the commission is to draw attention to the fact that it exists. It also draws attention to the fact that the pollution originated in one country, which is harmful to the health and property of the other, and that it is forbidden by the treaty. It then becomes the obligation of the United States, if the pollution starts in the United States and comes into Canada and injures health and property. We draw it to the attention of the United States as a breach of the treaty, and they are under obligation to have it cleared up.

They may clear it up by federal measures, or they may impose the obligation to do so on one of their states or municipalities. But it becomes their responsibility, just the same as it becomes our responsibility in the connecting channels of the great lakes where we found that some of our municipalities were in breach of article four of the treaty of 1909.

In that case the federal government here drew it to the attention of the government of Ontario, and that was one of the reasons the government of Ontario set up this water commission under Mr. Snider, about which I shall have a word or two to say later when we come to these channels, if I may.

Mr. HERRIDGE: Thank you.

General MCNAUGHTON: So if the pollution is of a character that it comes from one country to the other, and if it is shown to be injurious, it will be the problem of the country which does it, and which is in derogation of the treaty obligation, and they must clear it up.

Mr. MONTGOMERY: I would like to refer to a small river. It is not a large stream, but it rises in Maine and flows through Houlton and on around. What section should the municipality take to get the commission to investigate that stream? I suppose that until the International Joint Commission looks into the matter there is no real proof that there is pollution; but this stream is pretty badly polluted. There used to be fish in it, but there are no fish there any more. It is a branch of the St. John river and it enters into the St. John river at Woodstock. It is very badly polluted in the opinion of many Canadians, and even if cattle should drink from it at low water, they die.

General MCNAUGHTON: Does any of the pollution originate in Maine?

Mr. MONTGOMERY: Yes, it does. It comes primarily from a potato starch factory.

General MCNAUGHTON: Yes, I know about the case.

Mr. MONTGOMERY: What action should the municipality take?

General MCNAUGHTON: I think the responsibility in that matter is very clear. In the first place, the municipality ought to report it to the provincial authority. In New Brunswick you have a water commission being organized. They are the people who ought to know about it.

If they are satisfied that the situation is bona fide and there is a real complaint, and that the cause of pollution originates in the United States, which satisfies the definition of the treaty, and that it is injurious to health and property, then they have a perfect right to communicate from the provincial government to the federal authority here. Then, no doubt if the federal authority can be content with the source, we would soon have it before the commission; and then it would be our business to organize. But you can well imagine that unless we have a specific direction from the federal government, we cannot go running around looking for things to do. In the first instance we do not have the staff to do it, and we are not competent to originate a problem. A problem must be put to us.

Mr. MONTGOMERY: Thank you very much.

Mr. PRATT: Is this commission in New Brunswick purely a study commission, or has it any powers to act?

General MCNAUGHTON: I am afraid I have not the legislation here, but the organization is certainly becoming very effective, because some of their technical officers are taking part in the St. Croix investigations.

The CHAIRMAN: Might I interrupt to say that General McNaughton will be before us next Thursday. He will take your question as notice, Mr. Pratt, and will answer it at that time.

General MCNAUGHTON: I shall bring the New Brunswick legislation with me next time.

Mr. PRATT: Thank you.

The CHAIRMAN: Are there any further questions on the St. Croix?

General MCNAUGHTON: In connection with the St. John river, we rendered our report some years ago. One of the recommendations in the case of the St. John river was to point out that even with the limited amount of upstream storage which was available for the Beechwood project, it would be a useful project to be proceeded with. The government of New Brunswick accepted that recommendation as you know, and Beechwood has been built to the extent that two units are now operating. There is space for a third unit, but until we have regulated the flow from some source for them, it would not be economic to put in a third unit.

We have been hopeful that opportunities to make arrangement for upstream storage either in Maine or similarly in the province of Quebec up the Madawaska might come about without notice, so we have kept our engineering

board in existence on a sort of watching brief basis, ready to step into the picture without any more ado, to do the studies which might be indicated if the occasion makes it possible. So we are holding a watching brief on the St. John.

Coming further west, perhaps I should refer to the St. Lawrence basin. Members of the committee will recall that the commission almost since its inception in 1912 has been intimately concerned with the developments in the international section of the St. Lawrence.

In 1921 the commission made a very thorough investigation of the St. Lawrence basin and the seaway power projects, and it rendered a very comprehensive report which the governments of both sides were happy to accept in principle.

But from 1921 for the next 25 years there were a good many essays at getting started on developments which the commission indicated, but they did not get very far. There were several which got up to the planned stage, and some of them got before the congress of the United States; but they did not reach the point of execution so that practical measures could be taken.

In 1952 we had a year of very very high flows on the St. Lawrence, and the levels of lake Ontario went up to a point that a great deal of damage was done on the shores. It became a matter of public concern; I mean the protection of the communities on either side of the boundary in that region. So the two governments decided to refer the question of the level of lake Ontario to the commission to investigate and perhaps institute a regime for facilities to control the level.

Thus quite comprehensive studies of levels have been carried out by the commission ever since, and they ended up by a report by the Lake Ontario board of engineers to the commission recommending that the range of stage of lake Ontario should be reduced to 244.0 as a low stage, and to 248.0 as a high stage.

In nature the low stage of lake Ontario may run to below 243, so a low stage of 242 was a positive advantage to navigation. In nature the high stage has gone above 249; so by bringing the high stage down to 248.0, there was a definite advantage to the people along the shore who were complaining of the floods. I beg your pardon: I used 242; I should have said 244, and with a range of stage from 244 to 248.

The Lake Ontario board of engineers pointed out that it was not only the high level of lake Ontario which was the reason for damage occurring, but that it was the time at which it occurred; and that there were seasons of the year when high levels could be tolerated and which would not result in very much damage; whereas if the same levels occurred in early spring, they would prove to be very damaging.

So taking all these factors into account, the commission's lake Ontario board made a positive recommendation to fix the levels of lake Ontario under regulation from 244.0 to 248.0, and that the recommendation be transmitted by the commission to the governments to be approved.

That was a very important piece of information for the commission because with these levels approved we could then go into a study of detailed methods of regulation which would be necessary to be adopted in connection with the St. Lawrence seaway project, in order that we might benefit not only the people upstream but those downstream as well, and also to be very careful indeed to see that the proposal which we would make would not be damaging to any interest, be it either downstream or upstream, in the interests of power.

This study by the lake of Ontario board of engineers was concerned solely with conditions on lake Ontario itself. To do the studies downstream we felt

it advisable to set up another board in which engineers from the lower river would be involved, and people who where familiar or inherently familiar with the conditions which had to be protected against the dangers which might result. So we established, in connection with the seaway and power project the International St. Lawrence River Board of Control, which had on it engineers from Ontario, and from Quebec.

As far as we were concerned, we found it necessary later to add engineers who were specially skilled and informed on matters related to navigation. So that with federal authorities from the Department of Northern Affairs and National Resources and Department of Transport added, we have a board of four representatives from Canada, with members who were well informed concerning the interests we had at stake; and these were matched by similar engineers with similar qualifications from the United States.

Thus, once having settled the range of stages of lake Ontario, we were able to turn that problem over to that board of control to study the effects and to come up with a proper regime for the whole river, looking after the interests downstream as well as upstream. We were also able with the range of stages that we were going to arrive at for lake Ontario, to give to our navigation authorities, who were principally Canadian navigation authorities—because the United States are not so much affected—the design for their channels in the seaway in order to take advantage of this increased depth of water and of the kind of flows that we were going to be able to produce for them at the season of the year when they would be most essential.

That range of stage was in fact adopted by the seaway authorities, and it is reflected in the channels which have now actually been constructed and which are almost complete. They are not quite complete because there is a little more excavation and cleaning up to be done during the year, and there will probably be some further channel widening going on next year. But substantially the channels are ready now. Ships that require the draft can pretty well navigate throughout.

As far as any other method of regulation is concerned the board of control has now come up with their report. They have given us very specific proposals, known as method 1958-A; and after very careful study we have been able to recommend them to the governments as a method which would give this beneficial effect both upstream and downstream without damage or hurt to anybody.

We know that we now have action taken by the United States on that, and we hope that very shortly we will have advice of the action which the government of Canada wishes to take. In terms of this we may get into operation by a properly constituted authority of the two countries. So that the great problem of this immense river with its immense water resources and immense flows and the bringing of it into a regimen which will suit the convenience and to the advantage of the inhabitants of both countries through which it flows has now been brought into being and will be made effective.

You cannot regulate the river just by gesturing at it, or by writing nice tables. You have to take physical means to do it. So in connection with the construction of the power works in the international section by the province of Ontario, which wished to do it, and by the state of New York which also wished to do it, one of the conditions for approval of these projects was the great regulating works which were constructed at Iroquois.

The Iroquois dam is a regulating dam. It will put an end to this trouble of which I have spoken in connection with the range of stage of lake Ontario. So we are approaching the end of the task which was first imposed on the commission way back in 1921, and which has gone through various phases since. I think we all feel that the result will be very constructive and very useful to both countries.

We will get our navigation as we want to have it. We will not get as much power as the power people thought they would be allowed to draw out of the river; but provided it is in the public interest, I think a line has been drawn between the various interests which are affected, and the people do not have to be worried about flooding, both upstream and downstream. They will receive very good benefits indeed out of this method of regulation.

I think that is about all I need to say about the St. Lawrence at the moment. The seaway is to be opened on June 26 by Her Majesty and that will mark the end of a very long endeavour by many of devoted engineers and hydrologists, as well as hundreds of people who worked on this very complicated problem, and who provided the answers which the commission has had the privilege to put before the governments, and which have been accepted.

The CHAIRMAN: Are there any questions?

General MCNAUGHTON: In the course of the discussion I referred to the objectives for boundary waters quality control and the steps which had been taken in Ontario and so on. We are still in the St. Lawrence basin so I thought I would mention the task which the commission has had in the connecting channels of the river between the great lakes.

You might wonder why I use the term "connecting channels". So far we have not been concerned with pollution in the great lakes themselves, because it has been very difficult to prove, even if it is the case, that pollution there would come within the prescription of article four of the boundary waters treaty as something with which an international body could deal.

I must make it clear that we are not going to deal with pollution per se at all. Perhaps I should not say this, but people can pollute waters on one side of a line to their heart's content, to any extent, and we have no jurisdiction in the matter. It is only when pollution originates on one side and crosses the boundary to the injury of health and property on the other side that we have any jurisdiction at all. So since the physical facts are usually difficult of determination in the great lakes themselves, they were not included in the 1946 and other references.

We are concerned with the channels themselves between Lake Ontario and Lake Huron and Lake Michigan coming down to the channels north and south from Lake Saint Clair, and the channels into the Niagara river. We might have had something to do below that, but that aspect of the matter in the main river itself has been dealt with in another way.

Down through the years the commission has carried out a most extensive investigation in all of those channels. We have established beyond doubt that there was pollution which originated on one side and crossed the boundary to the damage of the interests on the other side.

The next thing our experts had to do for us was to reduce this to a quantitative basis because a little pollution might not be objectionable or damaging. But there comes a point, as a minimum where it would be damaging, and there comes a point beyond which it would be intolerable. Our first endeavours were to arrive at definitions necessary for quality control. Those were worked out in 1949, were submitted to the governments in 1950 and later approved. Then it became a matter of how to proceed to bring about the remedies which were required.

On an earlier occasion when a reference along this line had been given to the commission, it found that the United States-Canada boundary waters under reference were being polluted contrary to the treaty of 1909. They suggested that the commission should be armed with police powers to prevent it. That recommendation was given to the governments and I have no doubt it was most carefully reviewed and considered.

The result was that in the governments nobody on either side of the line regarded it as a practical solution that a commission of an international character should be given police powers extending into the jurisdiction of the two main parties. Nothing was done about it. While we had the same problem again we were very careful in the commission not to make a similar recommendation which had proved to be a cul-de-sac.

In 1950 the commission asked for, and was given by the two governments, the responsibility of keeping these international waters in the great lakes channels under supervision from a pollution point of view. We were given authority to bring to the attention of the competent authorities in each case any violation of our objectives for boundary waters quality control. We keep on bringing such a violation to the attention of these responsible authorities until they take steps to cure the matter. As you may imagine, this process is not one which yields results quickly. It is slow, but it is sure.

The result today is, I can report, as a result of what our boards have told us at our meeting in the second week of April, just a few days ago in Washington, that there are now only three municipalities along the Canadian shore of the connecting channels that we have had to cite for failure to comply with the objectives for boundary water quality control.

There are only a few minor instances of pollution originating on the United States side which we have had to draw to their attention. Canada was in default of the treaty for many years. However, when the government of the province of Ontario understood the seriousness of the problem, the Ontario Water Recources commission was set up which is presided over by Mr. Snider. They differ from us. We have authority to point out; but they have the positive mandate to do something about it and to give aid to the municipalities.

First of all, they require the municipalities should take steps to clear up any pollution which may be created and they are able to bring them assistance by way of technical design of sewage disposal works and are able to help them in the way of financing. Because of this there are now only three municipalities remaining about which I will have to write to Mr. Snider saying that from our point of view these are the ones in default.

Mr. SMITH (*Calgary South*): Were some of these refineries causing pollution?

General MCNAUGHTON: In the early days, the distilleries and oil refineries and all the industries were involved. There were many industries. For instance, at Sarnia the easiest way was the customary way, as in the past, of letting the waste go into the river. Perhaps it was not too serious at first, but when everybody did it those larger rivers of ours became the equivalent of a sewer. Then public attention was directed to it and we were given instructions to look into the matter and dry to clear it up.

Mr. SMITH (*Calgary South*): They are not current offenders?

General MCNAUGHTON: Right from the very start of our first investigations, in the hearings when we brought these troubles to the attention of the people in the community, when they realized we were, in fact, going to do something about it, industry got busy. Industry was the first to remove the stain from their slate. Time after time, after we had cited people as having factories which were a source of pollution, they telephoned for an appointment and came down to see just what it was and what they had to do to correct it. They would say, "We cannot remain in a state of being cited for some act of pollution which is contrary to public interest. We want to correct it."

We have had the most remarkable cooperation from industry on the Canadian side in helping us in the cleaning up of these pollutions. From memory I cannot give you the amounts of money spent voluntarily, but there were literally scores of millions of dollars spent voluntarily in order that

industry would comply with our boundary waters quality control. The distilleries industry was one of the first to be cleaned up. That is the situation. It is another illustration of what we have to do in the St. Croix.

You cannot correct the situation overnight. If we keep on pointing out where there is non-compliance, and if we do it consistently, we will get the St. Croix cleaned up as we have done with others I am sure.

Mr. MONTGOMERY: Is the pollution found pretty close to the mouth of the stream or is it all the way up the river in the lakes.

General McNAUGHTON: The serious pollution starts with the mills upstream. That is where the sawdust and fly ash has been put in the river from the mills. You must not blame the mills for it because that was the custom of the trade in those days. Nobody objected and they built the industry on the basis of doing it. We must be sympathetic with the condition they are in; but now that the matter is pointed out it is up to them to do something about it, and it is up to the United States government at one level or another to give it the necessary support to clear it up. I am sure that will be done.

Mr. PRATT: Has consideraion ever been given to federal financial assistance to the province or to the municipalities to combat pollution?

General McNAUGHTON: I think I am a little out of my depth in the constitutional part of this.

Mr. PRATT: Probably we could have the answer at the next meeting.

General McNAUGHTON: My understanding of the matter is that in the British North America Act this compliance with the policies originating in a municipality or a province is a provincial responsibility. That very thorny problem of the connecting channels of the Great Lakes basin was gripped by the province of Ontario and they are the people who have cleaned it up, not us. It may be there was some federal action which originally caused pollution, in which case I understand the constitutional position is that the federal authority would be the one we would look to to clear it up.

Mr. PRATT: I was asking if there ever had been any consideration given to financial assistance by the federal government?

General McNAUGHTON: There again I would refer you to the governments. It would be a matter of policy, I would think. I believe the British North America Act is sufficiently broad that it covers most anything if it becomes a matter of policy to do it.

Mr. PRATT: My question was really an historical one. I wanted to know if any consideration had ever been given to this.

General McNAUGHTON: I cannot answer that. I do not know.

Mr. PRATT: Thank you.

General McNAUGHTON: We have another question of pollution which is not specifically covered because this boundary waters treaty relates to water. However, analagous to it is the question of air pollution. In Canada it is most significant in the river between Detroit and Windsor. The matter of air pollution is something which has been engaging the attention of the authorities at all levels for many years now, and has come to our attention because of the remarkable industrial development which has taken place and which has resulted in the burning of large quantities of fuel in one way or another, delivering into the atmosphere deleterious gases, smoke, ash, and so on.

There has been a reaction to that by the public to the extent that it is damaging to their health, their property, and their convenience, and they do not like the dirt of it. The housewives do not like dirty smoke or smut coming in on them.

It became quite noticeable in the channels between Detroit and Windsor, where there is probably the heaviest water-borne traffic in the world. A lot of the small ships are burning coal. The ships going down a waterway are of course visible to all the inhabitants on either side and if their combustion goes wrong and they start to smoke they cannot hide it. There was so much complaint about this that the commission was instructed to investigate the situation and see what could be done about it in respect of the suppression of vessel smoke.

Incidentally, we were told to investigate air pollution generally in that region.

These investigations have been carried on over a number of years now, and they have reached the point that the report of the board which was set up is in the hands of the commission, and the first draft of the report we might make to governments has been prepared.

These reports are under consideration in the commission, and I cannot, at this time, forecast just when those reports will be given to the governments. I would think, however, it would be done within a matter of several months.

As regards vessel smoke, we were particularly anxious to get our report to the governments before this. We hoped that vessels, which might be smoking, beyond the code that we are going to propose, start to make use of the seaway coming in from other countries, would be given fair notice of the kind of apparatus and so on which they will have to have on their vessels, and the code with which they will have to comply when they come to navigate the seaway. So it is a matter of considerable urgency to get that code established.

We have no jurisdiction or authority to make recommendations other than in the particular area of our reference which is the Detroit-Windsor area. But no doubt the findings of the technical group, which are very general in character, will be taken under advisement by the governments when they receive our report. I imagine that the seriousness of the problem will be pointed out and that remedial measures will be propounded very shortly.

The CHAIRMAN: Are there any questions on this subject?

Mr. STINSON: Can General McNaughton tell us if he feels that the commission has authority to investigate the possible bad effects of fall-out which might attend nuclear explosions?

General MCNAUGHTON: There is authority in the treaty of 1909 under article nine for any problem that is bothering the governments along the boundary to be referred to the commission. But we have no specific authority and no specific jurisdiction in the commission to take up any of those problems unless we are invited so to do.

Our reference has to do with air pollution in the Detroit region, and it is related primarily to vessel smoke and to industrial smoke in a general way.

The governments could, if they so wished, intruct us to investigate the fall-out. There would have to be something done by the United States which was damaging Canada or vice versa; otherwise we would have no authority to come into the picture at all. We have not been given that mandate, and I do not think there is any reason the commission should have it, because other bodies are in existence which are inherently more competent to do this from particular studies and many other particular aspects than are we. If we were to take it up, we would have to draw on them for technical advice, services, and so on. It would only be a duplication. However, we do know that fall-out is receiving very careful consideration from our competent authorities, the Atomic Energy Commission and the Atomic Energy Board in cooperation with the defence department. I do not see where there would be much value

to be gained or a contribution made by our entering that field. I would not think it likely therefore that the governments would ask us to do so. We have no initiative in the matter.

Mr. KUCHEREPA: Is there any agency which is comparing the radioactive pollution of the waters in lake Ontario, so much of which are used for human consumption?

General MCNAUGHTON: With respect to measuring the radioactive content of lake water, I could not answer the question of my own personal knowledge, but I do think there is no doubt about the fact that Mr. Snider's commission would be looking into the matter if there is anything serious involved. That would be right within the jurisdiction of the Ontario water resources commission.

The CHAIRMAN: Are there any further questions?

Mr. MCGEE: I think we had a report from Windsor dealing with a strange noise which was disturbing the inhabitants, and they were attempting to determine its source.

General MCNAUGHTON: A noise?

Mr. MCGEE: A noise, yes.

General MCNAUGHTON: That is a new one to me. We have had to deal with things coming across the boundary such as pollution in the water, but never with noise.

Mr. MCGEE: It was reported at Windsor last fall in a series of newspaper articles that there was a noise which was disturbing the sleep of the residents of Windsor. So you can add one more item to your list.

Mr. MONTGOMERY: Was the noise accompanied by a blue and yellow light?

General MCNAUGHTON: It has to go across the boundary if it is to be our concern. Noise is something I have not had as yet. I might mention that since we are in the St. Lawrence basin, one of the references which was given to us in the form of a clause in the Niagara treaty of 1950, was the remedial arrangements at Niagara, and they were arrived at between the two governments. In that case the commission was invited to carry out studies of remedial measures which were needed in order to improve the scenic beauty of Niagara falls and to see to it that the allocation of water which was made was within the limit of the treaty, and that the water remaining was distributed so as best to promote the view. Those studies were carried out internationally.

We arrived at a design on remedial works. These were a series of gates to be erected at Grass island. These gates were built and have been placed in operation. The commission has continuing responsibility for the supervision, not of the measurement of water, because that is done by accredited officers of the two governments, but as they affect the beauty of the falls; so we exercise that supervision through the Niagara board of control which reports to the commission semi-annually.

We have now had about a year's experience with the operation of the control gates, and of continuous observance of the falls, and of the water levels at the Grass island pool and we are well satisfied that everything is in order and is being kept in order in the interests of the two countries.

It is a magnificent spectacle. Niagara was in danger of disintegration if it had been left in a state of nature. But with what has been done, a redistribution of the flow, and the stopping of its concentration in spots, all these measures have been taken, and they give promise that for many generations to come the people of the two countries will have the benefit of a wonderful spectacle, and also that the power people will get their power within reason and without hurting and damaging the scenic aspects.

Mr. McGEE: I have been advised from an authoritative source that the sound to which I referred earlier originated in Essex East.

Mr. HERRIDGE: We may take that as a facetious remark.

General McNAUGHTON: It is not something under the jurisdiction of the commission, at any rate.

I turn now to two rivers which are very important to their communities, the Souris and the Red rivers. We shall take the Souris first of all.

The Souris, after talking about the St. Lawrence, is a small river, a very small river indeed. It also has the unfortunate habit of almost drying up at certain seasons or in certain years. It originates in Saskatchewan, flows across the boundary into North Dakota, and after a great loop flows back into Manitoba and eventually joins the Assiniboine, and then the Assiniboine joins the Red. While this river is small as rivers go, it is a very important river to the localities through which it passes. That is most particularly the case in the south eastern part of Saskatchewan down around Estevan, where a very large oil development is taking place; and of course in North Dakota as well, around the city of Minot, which needs that water because it is about its only source of supply.

When the Souris gets into Manitoba the need for water itself is not so important. There the matter which they have been worrying about, is the flooding of the Souris, and the damage done by the flood waters. As long as there is enough water to supply the stock and for domestic purposes along the river, the present requirements of Manitoba are met. But in other parts we have now reached the point where with the requirements of developing communities, industries and farming, as well as the oil industry, on both sides of the boundary, we have to cut up or divide something which was in very short supply, and to do it as equitably and as fairly as we can for the benefit of the people of the regions served.

That reference has been before the commission for a good many years. Since water was in short supply, there was a lot of interest in it, and a lot of competition for its use, and it has been an exceedingly difficult problem to solve. But finally the Commission arrived at interim recommendations to the governments as to how it should be done. We feel, in the commission, that we have based our judgment, not only on the investigations of our board, but also on the commission's own study of this region, because on a good many occasions, at almost every appropriate season of the year, the commission has carried out "on the spot" examinations in order to get first hand knowledge and experience there.

We also had in Canada in dealing with this problem the benefit of the special knowledge of one of the commissioners, the hon. George Spence. Dr. Spence was a long time resident of Saskatchewan. He farmed in that region for many years and his personal knowledge of the problems of irrigation in general and of the Souris basin in particular was of the greatest assistance to the commission. Dr. Spence has now retired from the commission but I felt I would like to have the privilege of making that statement of appreciation of his services on this occasion when I report that we have been able to reach agreement on an interim solution, and that the commission's report has been made to the governments.

A few days ago we received the consent of the Canadian government to our report, and we have the approval of the governments of Manitoba and Saskatchewan. We know that North Dakota has approved it, and we are assured that we may shortly expect a formal note from the United States putting the proposals into effect. There was a problem which was pretty acute, bearing on the current interest of the people of the region and which had to be solved. Also the solution of that problem enabled us to give assurance to the power commission of the province of Saskatchewan that their proposed

dam for retaining the waters for the new thermal power plant at Long Creek could be dealt with without any anxiety that it might seriously or adversely affect the interests south of the boundary which might question the wisdom of it.

We were able to give them the assurance they could proceed with that construction without any risk. That dam at Estevan on Long Creek has been built. The power plant, in the Estevan coal field, has a capacity of 200,000 kilowatts. I am told it is now operating. I am also told that, with this interconnection arrangement between the power commissions of Manitoba and Saskatchewan becoming effective, the plant in Estevan is likely to be doubled in capacity, which is the limit of the condensing water that can be safely counted on as coming down Long creek.

The possibility of difficulties of allocation which might have prevented that great development both in the interests of Saskatchewan and Manitoba, has been removed and matters are now proceeding satisfactorily.

Mr. MANDZIUK: Could we have any idea what the recommendations will consist of as the people in southwestern Manitoba are disturbed. The people in the towns of Melita and Souris are disturbed and it has been brought to the general's attention that the flow of water is controlled by the United States and that more water flows from Saskatchewan into the United States than comes into Manitoba.

Last fall the town of Souris suffered from lack of water. This is a serious problem. Will this recommendation increase the flow of water into Manitoba or at any rate into these towns?

General MCNAUGHTON: The situation of the flow into Manitoba will in fact be protected in this commission based on existing uses. This is an interim order which has been proposed so that if the uses of the water in the Souris river—which can be served appropriately from the Souris river—should increase, the commission does not have to wait to get more jurisdiction from the governments; the jurisdiction of the commission has been reserved and we can take it up again any time it is required.

Perhaps I should explain a little bit about the problem and what has been done about it.

Mr. MANDZIUK: That would be very much appreciated.

General MCNAUGHTON: As you rightly observed, the Souris rises in the province of Saskatchewan and flows across the boundary. In many of the cases of rivers flowing across the boundary, as stated in the case of the St. Mary and Milk rivers, dealt with in article VI of the treaty, it was generally agreed by treaty that we arrive at an equality of division at the boundary as a measure of proper equity.

Starting at the headwaters, we had many discussions with the province of Saskatchewan, and the authorities of Saskatchewan were agreeable to the application of that principle to the Souris. It is a little complicated by the fact Long Creek also originates in Saskatchewan and makes a loop in North Dakota before it comes back into and joins the Souris system. So it took us quite a time to arrive at a formula of words to carry into effect the general principle of an equality of division of flows, giving us half and the downstream state half.

However, I think we have a formula which will do it and it is acceptable to North Dakota and Saskatchewan.

Mr. MANDZIUK: The commission realizes that twenty cubic feet per second which the Souris river gets when it comes into Manitoba in the five months of the year is absolutely insufficient for the town of Souris and the other towns, in particular, Melita. Is there not a duck preserve or marsh established by the

United States? I could draw to your attention the fact that there are statements in the press to the effect that American ducks receive more consideration from the commission than the Manitoban humans, because there is less water into Manitoba than goes out of Saskatchewan, and the Americans are taking it up.

General McNAUGHTON: That is right.

Mr. MANDZIUK: Why?

General McNAUGHTON: If you had been with us at some of the hearings I do not think you would say the people of Manitoba were getting less consideration than the ducks, because we have brought that matter to their attention.

Mr. MANDZIUK: There have been some editorials on this subject.

General McNAUGHTON: May I go into this a little more in detail because it is very important?

Mr. MANDZIUK: We would appreciate it.

General McNAUGHTON: It is of great concern to the people in these regions. I may say that, personally, I have a pretty fair knowledge of this region. I was born not very far from the Souris country, in the town of Moosomin. I know that region from my earliest youth.

What happened in connection with this matter of the Souris is there were two aspects which came to our attention many years ago. That is the reason the commission was asked to take it up. The first was the floods which came across. The Souris was very susceptible to floods and people were interested in some remedial measures for flood abatement.

We were also interested in being sure, in the five summer months, that there should be a minimum flow going through the river while it was open and unfrozen, for the purpose of stock watering and domestic use, and so on. The first arrangement which was made was that the United States should release ten cubic feet per second down the Souris in the five summer months and, if necessary, draw down their own wildlife reservoirs to give that flow. That ten cubic feet per second was established before the commission at some hearings before I had anything to do with it, as being insufficient, and the figure of twenty cubic feet per second was then made effective.

At the hearings which we have had in the commission down in those regions the commission has repeatedly been told that what was required was the maintenance of that twenty cubic feet per second for the present. At these hearings we have been informed by the government authorities concerned that that is the requirement which should be maintained and that requirement is maintained in the recommendations which we have made to the governments.

The difficulty of the commission in this matter is that while we have not applied the same formula of equality of division at the boundary of North Dakota and Manitoba that we have in the case of the flow of water from Saskatchewan into North Dakota, we have not applied that formula of equality of division because there is not yet an established use in Manitoba. When there is, we will have the opportunity to reopen the matter and take it up on that basis.

For many years the American wild life people have been developing the marshes in the lower Souris in the vicinity of Westhope and to the ducks. They have spent millions of dollars. They have appropriated the flows of the river, and the wild life people claim that by taking the water into use they have established a use under the treaty and that they have a right to that use. We in the Canadian section of the commission have never accepted

that contention. However, we have never been able to press for a reallocation except on the basis of a proven necessity, and we have not yet got that proven necessity for Manitoba.

The Canadian commissioners are very concerned about this matter because we feel eventually there will be uses in Manitoba; and we have therefore refused to accept this prescription of United States ownership of that flow. We believe that because the water comes from Saskatchewan, and because the Saskatchewan law provides for certain uses which are lawful, and they have never given permission to turn water needed for human consumption over to the ducks, we have a valid claim for that water which should be implemented when it is proved to be needed. We believe we will have no particular difficulty in implementing it, once a real use and a real need for it is established by the municipalities along the river and by the Manitoba authorities. Once that is available we will be happy to take the matter up again right away.

Mr. MANDZIUK: The General and the committee will realize I am not acquainted with this matter personally. Mr. Dinsdale, who is unable to be present, asked me to speak on this. The flow of the water to Manitoba is completely stopped after October 15.

General MCNAUGHTON: The position in the minds of the commission when they made this recommendation of twenty cubic feet per second during the five months of the summer was, if the river freezes up, the ice freezes down to the bottom and you cannot get any water through in the winter-time, anyway.

We now have an equal division of whatever flows are at the Saskatchewan boundary, but there is no flow in the winter-time.

Mr. MANDZIUK: But there is a regulation of the flow on the Souris river between North Dakota and Saskatchewan.

General MCNAUGHTON: On the basis now of equality of division.

Mr. MANDZIUK: Just what does that term mean?

General MCNAUGHTON: Equal division of such flows as there are. Half is made available to North Dakota and half to Saskatchewan. Counsel and all the lawyers who appeared before the commission representing Canadian interests have made it very clear we must maintain that right and we have given up no rights. But before we can ask or arrange for the wild life people to open their gates, we have to be able to say there is a real use for the water. It has not yet been established.

Mr. MANDZIUK: I think that can be proven. Last fall these towns were in desperate straits. The water supply was dangerously low.

General MCNAUGHTON: I would like to say that right on the heart of our recommendations we have kept human needs above those of the ducks. Do you know what a duck costs? To raise a duck on a wild life reserve requires three acre-feet of water, which goes off in evaporation. That is a lot of water.

I will read you the item concerning the interim measures:

> 20. The interim measures for apportionment hereinafter recommended recognize as a first objective the importance of making water available for human and livestock consumption and for household use.

The moment there are uses proven we will be very glad to hear about it. Under the arrangement made we have every authority to reopen the matter.

Mr. MCGEE: What is an acre-foot?

General MCNAUGHTON: The unit of measurement of quantity of water used in hydroelectric developments, irrigation and so on. It is the amount of water which would be represented by an acre with one foot depth.

Mr. McGEE: It takes three acre-feet for one duck?

General McNAUGHTON: Yes, and that water goes off in the form of evaporation.

Mr. PRATT: Is there a time element?

General McNAUGHTON: Three acre-feet per year.

The CHAIRMAN: How deep are these rivers which freeze to the bottom?

General McNAUGHTON: The Souris is generally a matter of inches rather than feet. These are little rivers, but they are mighty important to the people of the region.

When I speak of a flow of twenty cubic feet per second in the summer months, it is well to bear in mind that the Souris at that crossing has naturally a very irregular flow and mostly in the spring-time there would be no flow at all, or only one or two cubic feet per second in the Summer. What the people along there were anxious to get some years ago was a regulated flow, some flow all the time rather than the total amount.

Mr. MANDZIUK: Is there a dam in North Dakota?

General McNAUGHTON: There are several dams down to the south.

Mr. MANDZIUK: That is where the water goes and the Canadians feel they should at least get the water which goes into North Dakota, and that they should get that in Manitoba.

General McNAUGHTON: With the best legal advice we could obtain, the door was left open for us to take this matter up at any time; but in order for it to be taken up it must be proven that there is a real need and in that event the commission has power to deal with the matter.

If there is a shortage of water with flows below that twenty cubic feet per second, I think the minute we have that proven we have the authority to step in and take action to see that nobody is hurt.

Mr. MANDZIUK: Thank you.

The CHAIRMAN: Gentlemen, this will conclude the hearings this morning. I know, from the questions asked, that the members have been very interested in General McNaughton's evidence. This meeting now stands adjourned until next Thursday April 23, at 9:00 a.m., when General McNaughton will be with us again.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

*Chairman:* H. O. WHITE, Esq.

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

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Thursday, April 23, 1959

Monday, May 4, 1959 (in camera)

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ESTIMATES OF THE DEPARTMENT OF EXTERNAL AFFAIRS—1959-60

Including Second Report to the House

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WITNESS:

General A. G. L. McNaughton, Chairman, Canadian Section of the International Joint Commission.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

21003-9—1

STANDING COMMITTEE ON EXTERNAL AFFAIRS

*Chairman:* H. O. White, Esq.,

and Messrs.

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Dinsdale,
Dorion,
Eudes,
Fairfield,
Garland,
Hellyer,
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Lennard,
MacLellan,
Macnaughton,
Macquarrie,
Mandziuk,
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McGee,
Montgomery,
Nesbitt,
Nugent,
Pearson,
Pratt,
Richard (*Ottawa East*),
Smith (*Calgary South*),
Stinson,
Valade,
Vivian.

J. E. O'Connor,
*Clerk of the Committee.*

## REPORT TO THE HOUSE

The Standing Committee on External Affairs has the honour to present the following as its

## SECOND REPORT

On Thursday, February 26, 1959, the House referred to your Committee for consideration Items numbered 76 to 105 inclusive of the Main Estimates 1959-1960.

Your Committee has held ten meetings during which it heard statements and evidence from the late Honourable Sidney E. Smith, Secretary of State for External Affairs, and Mr. N. A. Robertson, Under-Secretary of State for External Affairs, assisted by the late Mr. W. D. Matthews, Assistant Under-Secretary of State for External Affairs, and Messrs. R. M. Macdonnell, Deputy Under-Secretary of State for External Affairs; M. Cadieux, Assistant Under-Secretary of State for External Affairs; Ross Campbell, Special Assistant to the Minister; W. T. Delworth, Executive Assistant to the Minister; H. Best, Executive Assistant to the Minister; J. H. Taylor, Executive Assistant to the Under-Secretary of State for External Affairs; H. F. Davis, Head, European Division; H. F. Clark, Head, Finance Division; K. Goldschlag, Head, Economic Division II; J. H. Cleveland, Head, American Division; C. Hardy, Latin American Section. *From the Department of Trade and Commerce*: Dr. O. E. Ault, Director, Economic and Technical Assistance Administration, assisted by Messrs. D. Bartlett, Chief of Planning; F. E. Pratt, Chief of Capital Projects; W. D. Mills, Chief of Technical Co-operation; and J. H. Marshall, Chief of Finance and Administration. *From the Canadian Section of the International Joint Commission*: General A. G. L. McNaughton, Chairman, assisted by Miss E. M. Sutherland, Secretary, and Messrs. D. G. Chance, Assistant Secretary; E. R. Peterson, Engineering Adviser; J. L. MacCallum, Legal Adviser; and A. J. Murphy, Draftsman.

Your Committee has considered the above listed Items, approves them, and recommends them to the House for approval.

The deliberations of your Committee were necessarily restricted and pervaded with a great sense of loss by the untimely death of the Secretary of State for External Affairs, Dr. Sidney E. Smith, and the passing of Mr. W. D. Matthews, Assistant Under-Secretary of State for External Affairs, both of whom your Committee found of great assistance in its studies.

Your Committee expresses its appreciation to General McNaughton for his forthright presentation of the activities of the International Joint Commission and for his outstanding work on behalf of Canada. General McNaughton can rightly take a large share of credit for the increased degree of understanding between the Governments of Canada and the United States regarding the solution of the many problems related to the development of Hydro-Electric Power in the Columbia River Basin.

Information presented to the Committee indicates that the problem of the Palestine Refugee in the Near East is no closer to solution than it has been for the past eight years. During that period Canada has contributed, through the United Nations Relief and Works Agency, assistance valued at over nine million dollars. This sum has apparently little relationship to the per capita contributions made by other contributing countries or to Canada's



21003-9—1½

interests in the area. While your Committee recognizes that Canada's foreign policy is closely associated with the policies of the United Nations it does not necessarily follow that expenditures for relief and particularly commitments of a continuing nature should be made in a specific area without first determining whether funds might be put to better use in programs of rehabilitation. Your Committee recommends that further study be given to programs requiring expenditures of this kind. The Committee is hopeful that initiative may be taken toward a solution of this refugee problem.

With regard to the Colombo Plan, your Committee feels that a great deal more can be done to inform the Canadian Public of the use made of Colombo Plan funds abroad, and of the procurement of services and Canadian-made goods for shipment to Colombo Plan countries. While it is appreciated that a certain amount of planning toward this end is now going on in the Economic and Technical Assistance Administration Branch of the Department of Trade and Commerce, your Committee is of the opinion that an immediate start should be made on the formation of an Information Service within the Administration. This could probably be accomplished by the employment of an Information Officer and the utilization of Information facilities existing in the Department.

Your Committee learned that there were still many properties occupied by the Department abroad as Embassies, Consulates and Chanceries on a lease basis. In view of the reciprocal arrangements relating to the freedom from taxation of property owned by foreign missions and the fact that property values in many parts of the world have continued to appreciate since the conclusion of World War II, not to mention the periodic difficulties encountered in attempting to re-negotiate leases, it is apparent that additional emphasis placed on a program of property acquisition would, over a long term, result in a considerable saving of Public Funds.

As recommended in its Report presented to the House on Wednesday, August 20, 1958 your Committee was enabled to commence its sittings within one month of the beginning of this Session and this has greatly contributed to the orderly and efficient manner in which it has conducted its deliberations. It urges that its work may be scheduled in a similar manner at future Sessions.

A copy of the Minutes of Proceedings and Evidence is appended.

Respectfully submitted,

H. O. WHITE,
*Chairman.*

# MINUTES OF PROCEEDINGS

THURSDAY, April 23, 1959.

The Standing Committee on External Affairs met at 9.15 a.m. this day. The Chairman, Mr. White, presided.

*Members present:* Messrs. Argue, Dinsdale, Fairfield, Herridge, Jones, Jung, Lennard, Macquarrie, Martin (*Essex East*), McCleave, McGee, Montgomery, Richard (*Ottawa East*), Smith (*Calgary South*), Stinson and White—(16).

*In attendance: From The International Joint Commission (Canadian Section)*: General A. G. L. McNaughton, Chairman; Miss E. M. Sutherland, Secretary; Mr. D. G. Chance, Assistant Secretary; Mr. E. R. Peterson, Engineering Adviser; Mr. J. L. MacCallum, Legal Adviser; and Mr. A. J. Murphy, Draftsman.

The Chairman observed presence of quorum and called upon General McNaughton to answer certain questions asked at a previous meeting.

Items 96 and 97, relating to the International Joint Commission were called and General McNaughton proceeded with his review of the Commission's activities from the Souris River to the Columbia River Basin.

During the course of his statement copies of the "Report to the International Joint Commission United States and Canada—Water Resources of the Columbia River Basin—Economic Studies" prepared by the International Columbia River Engineering Board, and Appendix VI thereto, were distributed to the Members of the Committee.

At 10.55 a.m. the Committee adjourned to meet again later this day.

## AFTERNOON SITTING

The Standing Committee on External Affairs met at 3.50 p.m. this day. The Chairman, Mr. White, presided.

*Members present:* Miss Aitken, Messrs. Allard, Fairfield, Garland, Hellyer, Herridge, Lafreniere, Lennard, Mandziuk, McCleave, McGee, Montgomery, Nugent, Pratt, Richard (*Ottawa East*), Smith (*Calgary South*), and White —(17).

*In attendance:* In addition to those persons listed in attendance this morning, Mr. J. H. Cleveland, Head of American Division.

The Chairman called on General McNaughton to continue his presentation, following which he was questioned.

Copies of 3 tables relating to alternative projects in the Columbia River Basin were distributed to members and ordered printed as an appendix to today's record. (*Appendix "A"*)

Items 96 and 97 were adopted.

Item 76—Departmental Administration—was called and adopted.

At 5.00 p.m. the Committee adjourned to the call of the Chair.

J. E. O'Connor,
*Clerk of the Committee.*

MONDAY, May 4, 1959.

The Standing Committee on External Affairs met *in camera* at 10.00 a.m. this day. The Chairman, Mr. White, presided.

*Members present:* Miss Aitken, Messrs. Argue, Fairfield, Herridge, Jones, Kucherepa, MacLellan, Macquarrie, McCleave, McGee, Richard (*Ottawa East*), Smith (*Calgary South*), Vivian, and White—(14).

A draft "Report to the House" containing certain observations and recommendations was considered. Following discussion, it was amended and the Chairman instructed to present it to the House as the Committee's "Second Report".

The work of the Committee was reviewed and suggestions concerning the future scope of the Committee's deliberations were considered.

At 10:45 a.m. the Committee adjourned to the call of the Chair.

J. E. O'Connor,
*Clerk of the Committee.*

# EVIDENCE

THURSDAY, April 23, 1959.
9 a.m.

The CHAIRMAN: Gentlemen, we have a quorum. There were one or two unanswered questions from the last meeting. One dealt with water resources and pollution in New Brunswick. General McNaughton has indicated that he will answer those questions at this time. We will then proceed with the consideration of items 96 and 97—the International Joint Commission—at the point that the General left off. At our last meeting we were dealing with the Souris River.

General A. G. L. MCNAUGHTON, P.C. (*Chairman, Canadian Section, International Joint Commission*): Mr. Chairman, the question in respect to the present standing of provincial legislation in the province of New Brunswick in regard to water resources and pollution control was asked by Mr. Pratt.

In 1956 the legislature of New Brunswick passed an act in regard to this subject. Primarily it was an act to set up an organization to study the matter and then bring in recommendations. Since that time the matter has progressed and in 1958 an amendment to the act was made which provides for the control of the use of the water in lakes, streams and water courses in the province. It also provided for the control or prevention of pollution of such water, the allocation of the use of such water to the several users or applicants therefor, and the fixing of penalties for the violation of any regulation made under authority of this section. Further, the act provides that these regulations shall have the same force of law as if enacted by the legislature. The act was to come into force on a date to be fixed by proclamation. As this proclamation has now been made, New Brunswick has effective legislation for the control of water pollution in the rivers and waters of New Brunswick.

The other question related to the Souris. I reported that the studies of the Souris had been completed by the International Joint Commission and that under date of March 19, 1958, a report, with recommendations, was made to the governments of Canada and the United States. I also reported that by a letter over the signature of the Prime Minister, bearing the date of March 20, 1959, we were informed that our proposals had been accepted. May I table this letter?

The CHAIRMAN: Is it agreed that it be printed gentlemen?

Agreed.

Miss E. M. Sutherland,
Canadian Section,
International Joint Commission, Ottawa.

I refer to your letter dated April 11, 1958, addressed to the late Secretary of State for External Affairs, concerning a report of the International Joint Commission dated 19 March, 1958, to the governments of the United States and Canada, on the Souris river reference of 15 January, 1940.

I am pleased to inform you that the government of Canada approves the new interim measures recommended in paragraph 22 of the report of 19 March, 1958 in lieu of the interim measures which were recommended in the commission's report of 2 October, 1940.

At that time we had not heard from the government of the United States. Since then, under date of April 3, 1959, we have a copy of a letter which was sent to the chairman of the United States section of the commission, signed by Mr. Douglas Dillon as under secretary for economic affairs. May I table this letter?

The CHAIRMAN: Is that agreed, gentlemen?

Agreed.

Department of State
Washington

The Honourable Douglas McKay,
Chairman, United States Section,
International Joint Commission.

The department has given careful consideration to the report of the International Joint Commission to the United States and Canadian governments, dated March 19, 1958, on the Souris river. This report reviews the events which have taken place since January 15, 1940, when the two governments first referred this matter to the commission. It also presents, in paragraph 22, recommendations for amending certain interim measures which have been in effect since 1941 and which, with changing times and altered circumstances, have now been found to require modification.

Paragraph 22 recommends to the two governments that they authorize the commission to create a joint board of engineers, to be designated as the international Souris river board of control, and that they approve five interim measures, which are described in detail in that paragraph, as substitutes for the interim measures recommended in the commission's report of October 2, 1940 and approved by the United States and Canadian governments on March 28, 1941 and April 25, 1941 respectively.

I am pleased to advise you that the government of the United States approves all the recommendations of the commission contained in paragraph 22 of its report on the Souris river, dated March 19, 1958.

The letter which I have just mentioned also accepts the recommendations which we have made. The first duty of the Commission will be to take steps to bring these arrangements into effect.

General MCNAUGHTON: There was a further question asked at our last meeting in respect to the Souris region. It related to the Garrison dam on the Missouri river and the use to which the waters of that dam might be put, including a proposal which was under study by one of the engineering boards of the commission for the use of the channel of the Pembina river to carry waters to certain areas in the United States which were under study from the point of view of irrigation.

I had a map of the region, showing the plan of the proposal, enlarged; it is on the stand. The pointer is now indicating Garrison dam. The waters from that particular reservoir on the Missouri river will flow along the line that is being indicated and go down to the north of Minot, which is on the loop of the Souris river, in North Dakota. These waters will be used in that region flowing to the east of the canal, which is shown by the red line, recovered again and brought into other reservoirs and then brought down to the south and siphoned over so that they flow through the Devil's lake region into the other existing channels at that point. The waters will be used generally for the irrigation of the land, which is shown further to the east, near the Red River. That is the land which the United States are planning to irrigate. Difficulty has been experienced in reaching by gravity the

region which has been indicated by the pointer. This region is south of the Pembina river and still to the west of the Red river.

The proposal which is under study is to take some of the waters derived from the return flows in the Souris basin and carry them down the Souris river with a connection across the height of land which is not very high, into that area which, is occupied at present by a chain of small lakes, thus bringing them into the Pembina basin, through a loop and back into the United States to be used to irrigate that region immediately to the south.

We can give you no report on the practicability of that proposal because the matter is still under study by the International Souris-Red Rivers Engineering Board. We do not know whether or not it is entirely practicable, nor do we know what advantages would come to Canada from that service of transmission of water which would be rendered to the United States.

These matters will be discussed in the commission as soon as we have the engineering background. That is all I have to say in respect of the Souris unless there are some questions.

Mr. McGee: How does the canal cross the river as it is?

General McNaughton: There is a siphon proposed under the river. The water would come down, go under the river and come up again.

Mr. McGee: Through a pipe?

General McNaughton: Yes.

Mr. Dinsdale: Unfortunately the other day I was not able to be here when this subject was discussed. It is an area of special interest to me. I have had an opportunity of reading the report of the discussion. I notice General McNaughton referred to the fact that Manitoba had not established its necessity in terms of the flow of water across the border into the Souris river, particularly in the Melita and Souris town areas. I was not quite clear what General McNaughton meant by that point. Do you mean to suggest there has been no change in the agreement in respect to the 20 cubic feet per second flow?

General McNaughton: Many years ago an agreement was reached with the United States wild life authorities, who operated the game refuge in the region indicated on the map, that during the five summer months a flow of ten cubic feet per second would be released into Manitoba to provide the needs of stock watering and domestic uses along the Souris river to the north of the boundary. It was found that that ten cubic feet per second was inadequate. At the request of the Manitoba authorities it was again taken up in the commission. The agreement was reached that the ten cubic feet per second should be increased to twenty cubic feet per second.

When the matter was being further considered over the last few years the representations received by the commission from Manitoba asked only for the maintenance of the flow of twenty cubic feet per second.

You will, of course, appreciate that if it were not for the reservoiring of this water in North Dakota we would either suffer a plenitude of flow because of the water coming across in the spring in the form of floods or we would have no flow at all because in nature the Souris in the late summer becomes almost a dry stream.

So there is a very considerable advantage to the inhabitants of the region in substituting a regulated flow, even if a small one, for flood flows on the one hand and destitution on the other.

In so far as the commission was concerned the representation was that if we could maintain the twenty cubic feet per second in the five summer months the requirement would be satisfied. There was one additional proposal raised, namely, that there should be a flow of ten cubic feet per second added in the winter months. However, when that was gone into it was found it would not be an effective proposal because the river freezes and you would not be able

to get the water through in the winter-time. That proposal was not supported in the commission by the local authorities.

I think everybody recognizes there are developing needs in Manitoba and there will come a time when more waters will be required in Manitoba. The consequence of that is that the proposals which we have made to the government and which have now been approved are in the nature of interim proposals. The matter is still before the commission and if Manitoba makes representations which will establish the uses, the matter can be very easily taken up again. Of course, the procedure requires consent on both sides, but we have reached the point in the discussions that, generally speaking, although perhaps not specifically in this instance, the needs for human consumption and stock watering have been placed in a high priority. I do not have any doubt whatever that our colleagues on the commission would entertain a proposal on that basis.

Mr. DINSDALE: I presume that the Manitoba government is presenting the issue rather strongly in view of the problem which occurred there last winter?

General MCNAUGHTON: Yes. As I recall it, there was very little coming out of the Souris, and there was not enough water in the dam on the Souris at that time. Remedial measures were taken to sandbag the dam and to provide a little more head, so that the intake pipes and so on would be covered and pumping could go on. Additional water was arranged to be let down. We got it from North Dakota, I understand, through the courtesy of the wildlife service, and it was a temporary solution pending the agreement for an increase in the height of the particular dam. At any rate, in recent months we have had no representations that the situation had not been met.

Mr. DINSDALE: Is it contemplated that the proposed diversion on the Souris river to the Pembina region would increase the flow across the border?

General MCNAUGHTON: It would very materially increase the flow of the Souris. The proposal which is under consideration is to use that channel of the Souris to transfer water into the Pembina. There has been no suggestion yet, or no demand as yet, from either side that this would constitute the water supply of the region although that might be arranged if desired, because there would be additional water.

One thing you must bear in mind is that we must be very careful about any arrangement which we make. The water which will reach that channel is water which would already have been used for the irrigation of regions in the Souris loop. There is a lot of alkali in that region and of course the water will leach out that alkali and it will acquire a considerable salt content. That is one of the things we must be very careful about before we consent to the use of that channel for the movement of water, because it might have an effect on the usability of the water for domestic and stock watering purposes.

I cannot give you information on that as yet, Mr. Dinsdale, because the matter is now under study by our engineering board out there. But in my talk with the officers concerned I learned that all these various questions are being taken into consideration and assessed.

Mr. DINSDALE: It would appear that there would be no action to implement this proposed scheme for some time and that negotiation would occupy a considerable period of time and discussion.

General MCNAUGHTON: In talking with the chairman of the Canadian section of the board, I understand that studies are being pressed ahead, and that they hope that at the commission's meeting in Washington in April we will have at least a progress report which will outline the possibilities and practicabilities of this situation to us. I beg your pardon: I should have said at a meeting in Ottawa in October this year.

Mr. DINSDALE: Thank you.

The CHAIRMAN: Are there any further questions?

General MCNAUGHTON: Mr. Chairman, I thought that that would give us a pretty comprehensive picture of the work that the commission has in hand in one way or another, through one mechanism or another, in the prairie provinces. That brings us now to the big problems which are before the commission in regard to the Columbia river basin in British Columbia.

The matter of the Columbia is before the commission by reason of a reference which is dated March 9, 1944, in which the two governments invited the commission to make comprehensive studies of the Columbia basin in both countries, and to determine whether, in its judgment further development of the water resources of the river basin would be practicable in the public interest from the points of view of the two governments, having in mind the domestic water supply, sanitation, navigation, fish development, water power, control of floods under irrigation and reclamation of lands, and conservation of fish and wildlife, and, to make sure that we did not overlook anything, for other beneficial public purposes.

I think you will agree that that was a pretty comprehensive mandate which was given. It was something which, before much progress could be made, required the collection and assessment of engineering facts that govern the flow of water in that basin.

These studies were immediately placed in hand. They have been prosecuted with great vigour. The United States, with much greater resources than we have, naturally made more rapid progress in their section of the basin. They also had earlier need for power. So in consequence they were able to bring to bear a good deal more information than we were during the early years of the reference.

We had to start without even topographical maps of the region. Surveys had to be run and maps drawn and printed, and the topography and hydrology of the basin worked out, as well as studies of the snow melt, water supply generally, and so on.

Now I am happy to say that those studies of which I read are now complete and that we have received from the international Columbia river engineering board, which was the body entrusted with the preparation of these studies, their report*, which was presented to the commission at our meeting in Chicago.

That meeting was held on March 16 to 18 of this year and for three days we had not only the engineering board itself but also their working committees and their experts in each field, appear before the commission in turn, taking up the various sections of this report, and then they gave us comprehensive explanations of what it all meant, and answered the pointed questions which were posed to them by members of the commission itself.

I have some fifteen copies of this report available which I will be happy to distribute. I had hoped to have a reprint ready for presentation to the members of your committee today, but it is not yet available. However, the essential tables, the most important tables of information are being reprinted in a memorandum which we will have available shortly, at which time I will provide the Committee's secretary with copies for each member of this committee, if that is your will.

The CHAIRMAN: Thank you.

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* Report to the International Joint Commission, United States and Canada, Water Resources of the Columbia River Basin, prepared by the International Columbia River Engineering Board. 1 March 1959.

General McNAUGHTON: We have fifteen copies which I thought might be useful for the members to have.

The CHAIRMAN: I know they will be glad to have them.

General McNAUGHTON: The document we are having prepared is a summary of this report. I hope it will give the technical information and set forth the whole matter so it can be followed somewhat easier than it could be from the report we have here.

There is another aspect of this matter to which I think I should refer before describing this report in detail. This information is purely factual. The great problem that has faced us in the commission arises from the fact that the Columbia river and its principal tributaries rise mostly in Canada and eventually flow across the boundary into the United States. These rivers can be dammed in Canada so that the great flows of the spring and early summer can be stored in reservoirs and released at a uniform rate throughout the year for the benefit of power production.

It is important to realize that the use of the waters from these reservoirs for the production of power will draw the reservoirs down. Normally by early spring the reservoirs will be nearly empty. They catch the flood flows which come in the spring and early summer; they hold back these flood flows and prevent considerable damage in the river bottoms downstream which have been built up for industrial purposes and other reasons. In this particular basin, we are very fortunate in that the use of the flows from the reservoirs for power and the use of the reservoirs themselves for flood protection are compatible. With proper management you can gain both advantages without interfering too much with the values of each particular part, the power or flood protection. It is evident from the studies of the engineering board that it is in regard to flood protection and power that the principal advantages of international collaboration will result.

Now, it is a fact that most of the new reservoir capacity which can be provided will be in Canada and a considerable portion of the benefits that come from the provision of these reservoirs will accrue to the downstream interests in the United States. As a consequence, it is necessary to consider the division of these benefits. The country which reservoirs the flows naturally has a right to receive recompense for the great service which it will render to the downstream states. In fact, there was some doubt as to whether such a consideration was in the mandate given to the commission by the reference of March 9, 1944; but happily that matter has been set at rest by an interchange of correspondence between the two governments.

Under date of January 29, 1959, we have been informed that: "The governments of the United States and Canada, as part of their continuing discussions, have agreed to request the International Joint Commission to report specially to the governments at an early date its recommendations concerning the principles to be applied in determining (a) the benefits which will result from the cooperative use of storage of waters and electrical interconnection in the Columbia river system, and (b) the apportionment between the two countries of such benefits, more particularly in regard to electrical generation and flood control".

I would like to table copies of these two letters. The Canadian letter is dated January 29, 1959, and our colleagues in the United States received their letter from Mr. John Foster Dulles, Secretary of State on the previous day, January 28, 1959.

The CHAIRMAN: Would you like these letters printed in the record?

Agreed.

The Secretary of State for External Affairs
Canada

Ottawa, January 29, 1959.

Dear Madam,

I wish to refer to the letter dated March 9, 1944 from the Secretary of State for External Affairs to the Secretary of the Canadian section of the International Joint Commission, which sets out the terms of the Columbia river reference.

The first paragraph of this letter deals with the general objectives of the reference, and it states in part as follows, " . . . in order to determine whether a greater use than is now being made of the waters of the Columbia river system would be feasible and advantageous, the governments of the United States and Canada have agreed to refer the matter to the International Joint Commission for investigation and report pursuant to article IX of the convention concerning boundary waters between the United States and Canada, signed January 11, 1909".

The governments of the United States and Canada, as part of their continuing discussions, have agreed to request the International Joint Commission to report specially to governments at an early date its recommendations concerning the principles to be applied in determining

(a) the benefits which will result from cooperative use of storage of waters and electrical interconnection in the Columbia river system, and
(b) the apportionment between the two countries of such benefits, more particularly in regard to electrical generation and flood control.

Yours sincerely,

Sidney Smith.

The Secretary,
Canadian Section,
International Joint Commission,
Ottawa.

Department of State, Washington

January 28, 1959.

Dear Governor McKay:

I wish to refer to the letter dated March 9, 1944 from the Secretary of State for External Affairs to the Secretary of the Canadian Section of the International Joint Commission, which sets out the terms of the Columbia river reference.

The first paragraph of this letter deals with the general objectives of the reference, and it states in part as follows, ". . . in order to determine whether a greater use than is now being made of the waters of the Columbia river system would be feasible and advantageous, the governments of the United States and Canada have agreed to refer the matter to the International Joint Commission for investigation and report pursuant to article IX of the convention concerning boundary waters between the United States and Canada, signed January 11, 1909".

The governments of the United States and Canada, as a part of their continuing discussions, have agreed to request the International

Joint Commission to report specially to the governments at an early date its recommendations concerning the principles to be applied in determining:

(a) the benefits which will result from the cooperative use of storage of waters and electrical interconnection within the Columbia river system; and

(b) the apportionment between the two countries of such benefits more particularly in regard to electrical generation and flood control.

Sincerely yours,

John Foster Dulles.

The Honourable
Douglas McKay,
Chairman, United States Section,
International Joint Commission,
Washington 25, D.C.

General McNAUGHTON: Mr. Chairman, these letters clear up any doubt there may have been. We, on the Canadian side, have never had any doubt about it, but our American colleagues entertained some doubt in regard to the studying and reporting on the allocation of benefits. However, that matter has been cleared up.

Mr. MARTIN (*Essex East*): You say there was no doubt about the situation in Canada; was there any issue on this score in the United States from a public interest point of view?

General McNAUGHTON: Some doubt arose as to the actual meaning of the words in the original letter.

Mr. MARTIN (*Essex East*): I know, but was there any public issue as to the commission's authority?

General McNAUGHTON: Of course it would have been very advantageous to the United States if Canada could have been induced to proceed with the development of storage upstream and make no claim in regard to the value of the use of the waters downstream. It might have been held to be advantageous, but the result would have been that there would have been no storage upstream because it is necessary in rendering services that a due share of the burden should be carried and due and proper recompense should be given for the use of Canada's resources when they are used for the benefit of the United States. That situation was a matter of public controversy in the United States, but I feel that aspect of the matter has been resolved through the passage of these letters.

The commission now has its mandate to proceed with the formulation and eventual presentation to the governments of realistic proposals which, I am sure, will give great benefits to both countries. In this connection, the more we have had the opportunity to study the facts given to us by our engineering board, the more we are satisfied that there are indeed immense benefits which can be derived by both countries through cooperation and collaboration in regard to the solution of these particular problems.

Mr. Chairman, these discussions within the commission are proceeding at frequent intervals at the present time. The first discussion of this particular aspect, represented by this interchange of notes, took place in New York on February 17 and 18 of this year. Then, following the engineering board's presentation of the factual data in regard to the Columbia at our meeting in Chicago on March 16 and 17, we had another close discussion on March 18 in respect to the question of benefits and their division. We

advanced the matter in a further meeting held in Washington in April. We are due to meet again in Montreal on the thirtieth of this month and will continue our discussions on May 1.

Since these discussions are in process and up to the moment mostly related to clarification of positions on either side, I do not think it would be either useful or practicable to attempt to depict the situation in any detail. Essentially, it is a fluid or flexible position. In regard to our side, we are trying to find out what is in the other side's mind. We are endeavouring to learn their views as to what would in fact constitute the best way to handle this matter. No firm conclusions have been reached as yet, and until we know more, I think it would be desirable if we refrained from going into the significance of statements which we may find were not firm but mostly put out for the purpose of inviting argument.

I think what I could do usefully for you, if you and your committee agree, is to take the factual report of the engineering board and go through it with the committee as briefly as possible, directing attention to the highlights and giving a sort of general picture of the magnitude of the projects which are under review and all the benefits, both in flood control and in power, which will be derived therefrom, both to the upstream state and to the downstream state. It would be not only to give the picture of this matter in terms of the quantum of flood protection but the quantum of the power benefits; and also to give a picture of the financial costs on capital account and the annual charges which are involved.

I must mention, sir, that the Columbia basin represents a large percent of the possibilities in regard to hydro electric development both in Canada and in the USA. For example, in the United States the figures are literally immense. So I hope when I use millions—and indeed on occasions I have to use billions—that it will not be too much of a shock to those of us in this country who are not normally used to dealing with such large amounts.

We have been able only to provide a limited number of copies of the Engineering Board's report at the moment. The first part of it represents a summary of the existing position. It gives a description of the basin in both countries, the increase of the stage of development in various lines and the possibilities the future holds. A chapter on the water resources of the basin commences at page 33; and there is a very useful summary of the whole position given in the pages that follow, together with some recent very excellent photographs of some of the communities along the river, which will give you an idea of the kind of topography with which we must deal and the appearance of some of the immense developments which have already been made in the United States. Then commencing at page 43, the board has given us an idea, not only of the present but also of the prospective use of the water resources of the region. On page 45 there is a table showing the major hydro electric developments in the basin as they are at the present time. In regard to Canada, we have a storage in Kootenay lake of 817,000 acre feet usable annually and 271,000 kilowatts of installed capacity. The plants are on the west arm of Kootenay lake. There is a plant at Waneta on the Pend d'Oreille, which has a capacity of 144,000 kilowatts. There is also a plant on the Whatshan, a tributary of the Columbia river, which has a capacity of 34,000.

Mr. HERRIDGE: Would you explain what the word "pondage" means. There is no figure given as usable storage.

General MCNAUGHTON: Pondage means there is enough capacity in the reservoir to take the momentary fluctuations of the load on the plant. You can draw the plant down a bit and it will carry you for perhaps twenty-four hours. When we refer to storage, it is something of a different order of

magnitude. The total in Canada represents about 900,000 acre feet of storage, with an installation of about 449,000 kilowatts. When we come to the United States portion of the basin, there is already installed on the Columbia main stem and on tributaries nearly 15 million acre feet of storage and the installed capacity is now over 8 million. The additions, which are under construction, run to about 1½ million acre feet of usable storage, with installed capacities of the order of 4 million kw in process of construction or installed.

You will notice the amount of storage which has been found practicable to put under construction in the United States in connection with the present programs is very small indeed compared with the installations which were being built in the river itself. Indeed, in regard to further development, that is one of the great difficulties that exist in the United States at the present time, namely that the desirable sites for storage have largely been taken up and for one reason or another there is great public resistance to the principal projects which have been put forward by the army engineers, for instance in Glacier park, which is a desirable storage site. The fisheries and recreation interests are adverse to having regions of that park flooded out.

In other places the wildlife interests are against the flooding of reserves which are used for the grazing of deer, elk and so on. Of course, lower down in the Columbia Basin, the problems of anadromous fish and their migration upstream and downstream usually prevent the construction of reservoirs. Reservoirs of necessity must occupy river valleys and these have been put into use for other purposes, such as industrial development, which is taking place. These would have to be paid for if they were taken over for storage, and it makes the cost literally prohibitive.

We are particularly concerned with some of the river valleys. I am thinking particularly of the Kootenai in the United States and the great loop of the Kootenai which runs through Montana and Idaho; it is marked in red on the map. For many years that river valley has been used as the route for great trans continental lines that run almost at river level, and the building of a dam, even of a few feet in height, would flood out long lengths of these lines. Before the dam can be constructed and the reservoir put into use the railways must be relocated, which is an extremely expensive process in mountainous regions.

It is that consideration which must be and has been very largely in the minds of the planners in these regions. There is roughly 550 feet of head between where the river crosses from Canada to where it returns into Canada again and flows down into Kootenay lake. Of that 550 feet of head the proposals call for about 190 at Libby. They had under consideration development of 160 feet at Kootenai Falls and there was another 100 feet at Katka, which is further downstream. The 190 feet at Libby is recognized to be quite an uneconomical project unless Canada would consent to donating an additional 150 feet of Canadian head above the boundary permitting the flooding into Canada, as part of that Libby reservoir, of the Kootenay valley running all the way up to Bull river.

Mr. McGee: In regard to that flooding, what would happen to No. 2 highway?

General McNaughton: It would require relocation, as would a number of railways in that section.

Mr. McCleave: Could the witness say whether one of the lines that might be flooded out is the Kettle valley railway, which we hear about from time to time in the House of Commons?

General McNaughton: Kettle valley is further north; it is not in this region. That is affected, but it has to do with another part.

Mr. McCleave: I thought we might solve two problems at once.

General McNaughton: I just mentioned these problems to illustrate it is not a simple matter to go into a country where development is and has taken place through the years and plan dams across rivers, thereby flooding out communities, because the cost of doing it makes these problems exceedingly difficult to handle.

Mr. McGee: Would the storage sites be above or below Dorr?

General McNaughton: The United States proposal for Libby dam carries the flooding right across the site of the Dorr dam. It is shown in profile there. It floods up to the base of the proposed site at Bull river.

Mr. McGee: What is the degree of development in that area? Are we facing the same problem concerning wildlife and other impediments?

General McNaughton: We are a phase behind the United States in development; but the problem of relocation, compensation and the moving of communication routes are not nearly as severe from a cost point of view. Further, there are psychological and other considerations that must not be lost sight of when considering some of these proposals for reservoirs which we have had before us. If I may, I would like to return later to that particular problem, as it affects two of our reservoirs.

Now, gentlemen, if you would look at page 98, paragraph 232. I thought I would bring to your attention the magnitude of the undertakings which are contemplated. I am using here the figures for High Arrow, and in relation to the non-diversion proposals—that is the use of the flows of the Kootenay river in their own channel—you will see the figures 2,878. Those are megawatts. That means that the development in Canada which would be contemplated would be 2,878,000 kilowatts. As I mentioned, we have at the present moment 437,000. The increase that would result to Canada through these proposals would be 2,441,000 kilowatts. In the United States, with that scheme, there is an output contemplated of 13,855,000 kilowatts of which 8,258,000 re in existence, or an increase of some 5,597,000.

The Copper creek diversion, in which the water of the Kootenay river would be diverted by a dam at Copper creek on the Kootenay and turned northward through the Columbia lake and Lake Windermere and down the Columbia itself, would yield an increase to Canada of 2,682,000 kilowatts, which is 241,000 kilowatts greater than we would have if none or the flows in the Kootenay itself were diverted.

Mr. Jones: In order to enable us to compare this chart with the one on page 44, what is the connection between the figure you have just mentioned in respect of the present Canadian output on page 98 and that to which you referred in table 12 on page 45? One gives 449,000 and the other 437,000.

General McNaughton: The first figure I gave you is the figure of installed capacity of 449,000 kilowatts. This figure of 437,000 is the actual amount of energy measured in kilowatt years that could be obtained on the average over the particular twenty-year period of the study. In other words, you do not get the full 100 per cent use continuously of the capacity which is installed.

Mr. Jones: It will not operate to capacity over a period.

General McNaughton: That is right. This is the actual production over the twenty year period which is given. If you wanted to get it down to the particular critical period, which is a period of three or four years, or 44 months, of low flow, the reduction of the existing capacity in Canada would be still greater; we would only get 346,000 kilowatts out of it. Does that answer your question?

The third method which is the one we have proposed is the use of the flows of the Kootenay river in what is known as the Dorr diversion. For these studies we have proposed that a dam should be build at the Dorr site which is down pretty close to the boundary on the Kootenay. On the elevation chart you will see that the tail water at Dorr is 37 feet above the boundary. That dam would capture the flows of the Elk and Bull rivers, both of which are important tributaries.

At the Bull river dam which also would be built there would be a pumping plant requiring about 50 megawatts of energy to raise the waters which are impounded by the Dorr dam to put it in the reservoir behind the Bull river dam from where it would be able to flow down through the Bull-Luxor reservoir, then flow through Columbia lake and Lake Windermere and thence from Luxor on down the Columbia itself through a head plant at Calamity Curve, another plant at Mica, another plant further down at Downie creek and a further plant at Revelstoke canyon. Under certain circumstances there might be another plant at the head of the Arrow lakes to capture the head between the Revelstoke canyon site and the level of the arrow lake itself depending upon the elevation of the latter.

Then the ordinary flows of the Columbia river, plus the additional flows to be captured, continue down through the Arrow lakes into the storage above Murphy creek; or, by some proposals, it has been proposed there be a high storage on Arrow lake itself.

There is another head plant at Murphy creek. The tail water at Murphy creek is about 42 feet above the boundary and there are possibilities of another head plant at the boundary itself which would capture about 40 feet of that head. If that plant were ever constructed it would be very important because through that would pass something like 65 million acre-feet, the flow of the Kootenay, the Columbia and the Pend d'Oreille, annually on the average. It would be quite a large plant. That gives you an idea of these three proposals which I have mentioned.

I now would like to say that with the Dorr diversion the power which would be added in Canada would be 2,852,000 average kilowatts of energy annually in this twenty year period which the board has made the object of its study. If you subtract 2,441,000 from 2,852,000, you will see that the Dorr diversion adds more than 400,000 kilowatts of average energy into Canada which is a very important consideration by reason of the tremendous value. It has as well other importance about which I will tell you a little later because the costs by way of that diversion, and doing the reservoiring of water in our own country, are very much less. These costs you will find later when I come to that point in my argument are some $300 million less than they would be by the alternative method.

I think I can say without any doubt that if these matters were being considered strictly from an international viewpoint and if there were no boundaries whatever there is very little doubt as to what the real development of the upper Columbia would be. It would be to route the water by way of the Dorr diversion to take advantage of the additional heads which can be developed along the Columbia and make use of these flows to the best advantage.

Now I would like to go briefly into the question of the costs which are involved. Members of the committee will appreciate that the studies, carried out by an international board, must of necessity be on an international basis.

The first problem of finance is related to the interest rate, what you have to pay for the large sums of money needed to carry out these developments. For projects under federal auspices in the United States the average rate is close to 2.5 per cent. Our corresponding figure based on the average paid by the Department of Finance for federal financing of bonds over a long term

period is 4 per cent. More than two-thirds of the investment is in the United States itself, and will in fact be carried out with funds provided at this 2½ per cent rate, or close to it. The best we can hope for is an average of the rates which have been paid on our bonds and that comes to 4 per cent.

In order to do the studies the committee has to adopt one rate. The Board arrived at a figured of 3 per cent. All these figures given in this report are based on an interest charge of 3 per cent. Of course, it does not mean that the costs go up in the ratio of 4 per cent to 2½ per cent, because in connection with hydroelectric projects there are a number of costs, for instance the operation of the dams, which are estimated directly in dollars. So, because you go as I say from 2½ per cent to 4 per cent you do not increase the over-all cost in that ratio.

The second thing the board adopted was that they would assume that there was no rate of exchange on money between Canada and the United States. As matters now stand, of course, our money is a little higher than the United States money. That does not affect these estimates appreciably because the costs to be incurred in Canada have been estimated in Canadian dollars and the costs in the United States have been estimated in United States dollars. While in the absolute the values are somewhat different, for purposes of comparison we think that difference can be neglected.

Mr. Chairman, if you look at the table on page 101, paragraph 241 you will see that the total of the investment cost in the two countries is put at $3,853,800,000 for the non-diversion scheme, followed by roughly $3,600 million in the Dorr diversion scheme. The annual costs run from $176 million down to $165 million.

One must realize that this planning is a long-term planning. It is contemplated that the plans would be laid out to cover a development which might extend over two or two and a half decades. Therefore these large sums of money are not contemplated to be required immediately. They would only be required to provide the hydroelectric power developments as the needs of the market called for them.

I wish particularly to call to your attention to the economics of the Dorr diversion because it is some $300 million less expensive in capital cost and something like $11 million or $12 million less expensive on annual cost than the non-diversion scheme.

In the table in paragraph 242 the incremental costs per kilowatt are given. Again you will note that the Dorr diversion is substantially less expensive than the other projects.

In paragraph 243 the projects in Canada and the United States in relation to incremental costs have been separated and the figures are given for each country. In respect of the Dorr diversion, you will note the cost in dollars per kilowatt year in the United States is $18.74 as against $20.35 in the critical period, and $22.18 as against $23.88 in the twenty year period. There is a slight advantage in the twenty year period basis to the Dorr diversion scheme. That is in respect to these plans of diversions.

We now come to the Arrow lakes in respect of which there are two projects before the commission; one for High Arrow and the other for Low Arrow. The comparison of those two projects is given in paragraph 243. If you take the comparison of production, in the twenty year period, of High Arrow in the Dorr diversion 2,852,000 kilowatts for Canada with the Low Arrow which is also put down at 2,852,000 kilowatts, it becomes evident, I think, that from the point of view of power production Canada would obtain no advantage whatever from flooding out of the territories along the Arrow lakes to give the increased storage represented by the High Arrow project.

The advantage powerwise in that project goes entirely to the United States. The only advantage which could come to Canada would be in recompense for power produced in the United States.

Mr. HERRIDGE: I am very interested in what you have to say about High Arrow. The proposal is of great concern to persons living along the Columbia from Castlegar to just south of Revelstoke. When the opportunity arises I wish you would give the committee some idea of what the result would be of the High Arrow on the district itself in respect of flooding the communities and the vicinities.

General MCNAUGHTON: I should mention in answer to Mr. Herridge's question what is involved in the question of storage in these two propositions. Low Arrow, as described by the engineering board, calls for a level of 1402 at top water level which is about the level the floods go to in nature. The amount of usable storage behind Murphy creek would be 3.1 million acre-feet of storage.

In respect of the High Arrow the thesis which has been put up by those who are proponents of this project, because of the tremendous savings which would go to the United States downstream, is that once you get above a level of about 1411 which is the flood level along most of the lakes, that most of the damage has been done and it would not be very costly to raise the level from then on up until you flooded almost into the outskirst of Revelstoke itself, and that level would be 1446 which would represent a usable storage of just under 8 million acre-feet annually.

I have brought a map which has been produced before this committee previously in which the flooding along the Arrow lakes at these two elevations is indicated. Perhaps if we had that map put up it might give Mr. Herridge the information he requires.

Mr. MCGEE: Do you mean by your previous statement that the buildings, cottages and so on located at the shore line would be flooded out by this movement up to 1411.

General MCNAUGHTON: The levels rise to about 1402 in nature in the flood season in the spring. They occasionally go a little higher than that. There is very little development in that region on the shore of the lake up to 1402, but when you get to anything above 1411 then you have communities which are along the lake and industrial developments in Nakusp involved, with which Mr. Herridge will be very familiar, and the damage which occurs would be very considerable.

Then as you go higher than 1411 the theory is that you have relatively little more damage to pay so that there is a limit on the cost of it. That is a comforting thought for the financial people, but I myself do not think it would be very comforting to the people who are affected.

I do not have available here in Ottawa the details of the flowage damage in these regions. However, our staff has taken the charts and listed the various communities, the population, the numbers of persons involved in accordance with the 1956 census, and we have indicated in another column the effect of the flooding, either the high or low, for comparison.

Mr. Chairman, I think this table which we have prepared might be of general interest to the members of the committee.

The CHAIRMAN: Is it agreed that this be included as a part of our evidence today?

Agreed.

F — Flooded
PF — Partial
NO — No substantial effect

ESTIMATED EFFECT OF "HIGH" AND "LOW" ARROW PROJECTS ON THE FLOODING OF ORGANIZED COMMUNITIES.

Visual inspection of maps of the Columbia river basin M.S. series indicates that following villages and towns along the Arrow lakes would be affected by the raising of the levels of Arrow lakes. "High" Arrow lakes refers to a maximum water elevation of approximately 1446 feet above mean sea level controlled by a dam at the outlet of Arrow lakes. "Low" Arrow lakes refers to a maximum water elevation of approximately 1402 feet above mean sea level controlled by a dam at Murphy creek.

| Population of organized communities (1956 census) | | High | Low |
|---|---|---|---|
| 41 | Syringa Creek | PF (90% flooded) | NO |
| | Shields | F | NO |
| 67 | Deer Park | PF | NO |
| | Renata | PF | NO |
| | Broadwater | PF | NO |
| 322 | Edgewood | PF | NO (Lands flooded) |
| | Sherwood | | |
| 41 | Makinson's Landing | F | NO |
| | Forslund | PF | NO |
| 152 | Needles | PF | NO |
| .106 | Fauquier | PF | NO |
| 201 | Burton | F | NO |
| 17 | Carroll's Landing | F | NO |
| 47 | Graham's Landing | F | NO |
| 61 | East Arrow Park | F | NO |
| | Arrow Park | PF | NO |
| 28 | Glendevon | F | PF |
| | West Demars | F | NO |
| 1029 | Nakusp | PF (Lower part of town) | NO |
| | Shoreholme | — | — |
| | Fosthall (Str. Ldg.) | — | — |
| | St. Leon | F | NO |
| | Halcyon | PF | NO |
| 13 | Galena | PF | NO |
| 49 | Beaton | PF | NO |
| 72 | Camborne | — | — |
| | Arrowhead | PF | NO |
| | Halls Landing | F | F |
| 130 | Sidmouth | F | NO |
| | Wigwam | NO | NO |
| | Greenslide | NO | NO |
| 105 | Mount Cartier | F | NO |

The towns of Castlegar, Robson and West Robson are downstream from the proposed dam at the outlet of Arrow lakes. The low lying areas of these towns would be affected by the low Arrow lakes project.

General MCNAUGHTON: The upper Arrow lake is here and Nakusp is here. The area printed yellow all the way along is the land which would be flooded with an elevation of 1402. That is land which normally is subject to natural flooding almost every year.

The effect of this High Arrow project is shown in the brown. That gives us an idea of the area of land which would be inundated.

In connection with this flooding along the Arrow lakes, I must say it is not just a case of raising the water level to the point which is indicated, this in

itself is of no great value; in fact, in this case it is of no value to either country for power if you merely raise the water level. You have to impound the water and then flow it out during the six months of low flow so that it can be used in the power plants downstream. If you are using it for power purposes, you have to be sure the reservoir is drawn down before the spring freshets arise because what is valuable is to have an open reservoir available to capture these flows when they come and prevent them going downstream to do damage there. Then you let them out gradually and get power benefits out of them. What you have is that these areas which are shown in brown will be covered by water, in the late summer and early winter, which will be drawn down toward spring the ground will be exposed, there will be extensive marsh lands or mud, or what-not, making it almost impossible to arrange for communication across the country.

If you create a reservoir of this sort, you must face up to the fact that you would be severing these communities into two parts. I think this is a pretty serious consideration which has to be weighed very carefully by the people who will have the ultimate responsibility in these matters which will be, of course, the government of British Columbia and to some extent the government at Ottawa as well. I would like to say that these projects were put into the studies of the engineering board and were not objected to because of the immense advantages that they are alleged to carry to the interests downstream. There is no commitment whatever to execute any of these projects. From the very beginning it has been recognized by all concerned that the people who will determine whether or not a project is to be built are those in the governments of the localities concerned.

I know that our friends from British Columbia, who worked with our engineering boards, who have been working on the committees and who in Chicago gave us an explanation of these projects, have been very careful to point out the great problem involved and the economic disadvantages which would accrue to Canada from this High Arrow project.

The Low Arrow project, of course, per acre foot of storage is a much more costly project and it does not provide the quantum of downstream power which exists in the other. However it does not carry the flood lines above what would occur in nature and does not do very much damage.

There is the intermediate suggestion which has been worked out, which calls for a level of 1411. This would require a certain amount of dyking around the southeasterly section of Castlegar but it appears that it might be worthy of consideration. It gives somewhat more storage and somewhat more head at Murphy creek. But those are questions which will be gone into and determined by the provincial and federal authorities concerned.

Mr. JONES: Mr. Chairman, in carrying out your negotiations in regard to development, is it intended that you use this report on the water resources of the Columbia river basin which you have just given us as one of several reports, or is it intended that this will be the primary document with which you are developing projected use of the alternative schemes?

General MCNAUGHTON: I think that is a very illuminating question, I will answer it very carefully. This report contains a study by an international board as to what would happen at one point in time. The point in time for the study has been chosen for 1985. It represents the best judgment of the engineers and the best informed people of the two countries who have been collected together in the board to work out these matters on this arbitrary international basis that I have indicated, namely a weighted mean average of interest rate and a parity of dollars between the two countries; a recognition that there are social and political problems which are not within the purview of the board but reserved by the governments for their own decisions later on.

Now, in regard to this report, it will be impossible to work out and reduce to manageable dimensions the statistics of a scheme which takes a position and carries it through stage by stage. We can take one point in time. We can take the arbitrary assumptions which have been made as a basis, and when we have reached the decision stage of the actual project, then all these political, economic and social factors will have to be taken into account as well. We can relate them to a particular circumstance and with a good deal of confidence reach conclusions on the economics of it. The basis is all this report purports to provide.

As I say, the decision as to whether the project is to be built or not is not for the commission to decide. They decide nothing. Together in the commission we are trying to recommend to the two governments what seems to be, by and large, and from our points of view, the best mutual arrangement that can be arrived at. The decision rests with the governments.

Mr. JONES: I quite appreciate the impossibility of trying to estimate what governments might in fact do by way of construction of these projects, and you would have to deal with potentials rather than with plans.

General MCNAUGHTON: I think we can do a bit more than that. Once the governments have weighed the social consequences of these matters and have said to us: "You will include High Arrow; or you will leave it out", it would not take us very long to adjust our basic figures. We would be able to give the governments a realistic appreciation of the power possibilities of the revised scheme and the economic consequences to the two countries. But we must be very careful, particularly in regard to annual costs, in interpreting these figures. Those are basic figures which are put up and they have a definite basis. If the basis changes, then we will very quickly change these figures to suit the situation. For instance, if we picked any of those projects in Canada and proceeded on them today, in place of using the figures on the basis of 3 per cent, we would go to the average rate of bond issue in Canada and that varies from day to day. If we did not do it on a basic system, we would have to change our figures every time we came before you.

Mr. JONES: Could you give us a summary of the steps which have to be taken in the future in order to arrive at the stage where the governments can proceed with the actual construction of whatever projects they may then decide to build?

General MCNAUGHTON: To answer that question I would say this. In so far as the United States is concerned, they have now completed a most comprehensive review of their water resources of the Columbia basin in the United States. Every phase of their plans for development have been laid out for the next fifty years. I am referring to the plans they would like to see carried out. Of course, some of the plans are dependent on the cooperation extended by Canada.

The report which has been prepared by the army engineers is presently before the rivers and harbours board, and within a matter of a few months their proposals will be before the committees of the Senate and so on. They will be endeavouring to have an over-all plan of development approved in so far as the United States is concerned. Now that covers investigations conducted in regard to reclamation, irrigation, the purity of waters for municipal and domestic purposes, power purposes, flood control and so on.

The report is comprehensive; it is in five volumes. We have a copy, and if any of you are particularly interested we would welcome a visit to our office and we would be glad to go over it with you. It is a mine of useful and relevant information on the subject. In Canada we have a number of reports which are now available to the governments. First of all, we have the

report of the International Columbia river engineering board, which has been made freely available; that is the one I produced for you today.

The British Columbia government have employed consulting engineers who have done a very comprehensive study. I am referring to the Crippen Wright firm. Their report has been presented to the authorities in British Columbia. As a matter of courtesy copies of these reports have been made available to us, and the basic information that is contained therein has been used for our own guidance. Naturally, these are confidential documents as they go into the vital resources of the province. We are allowed to use the information but we must not disclose it.

On the government side, we have these comprehensive studies which have been made for us by the British Columbia engineering company in regard to the diversion of the Fraser. We have a review report made by the Montreal engineering company, and we have a number of other studies as well that have been done here in Ottawa by the officials of the government on various phases and for various purposes. Those studies are from a national point of view; they contain national information. Likewise, we have them in the Canadian section of the commission on a confidential basis. We can use the information, but we must not disclose it. I think this is quite understandable.

I would say that the engineering studies of the projects in Canada are well advanced. They are almost complete in the United States; but in Canada our studies are well advanced and it will not take a long period to translate these studies into actual working designs for the various dams and so on that would have to be constructed.

Mr. MONTGOMERY: May I ask on that point, Mr. Chairman, would it be the resposibility of the Canadian section to plan a complete system which would be adopted by the federal and provincial authorities as an over-all plan, or will that require a further commission or someone else to do that?

General McNAUGHTON: I indicated earlier that the projects which would be selected would be a matter for governments. I think it has been announced already by the minister concerned that the discussions leading to these decisions are in process. The technical officers from British Columbia have been meeting with the technical officers of the federal authority here and this information is being ironed out. Concurrently we are being kept informed of the progress made so that we can bring it to bear in our discussions with the American section of the commission. That process is proceeding.

Mr. HERRIDGE: Mr. Chairman, I would like to refer for a moment or two to the High Arrow, because you will appreciate the concern of my constituents in this regard. Am I correct in assuming that no power whatever will be developed at the High Arrow dam in Canada?

General McNAUGHTON: The project for High Arrow, which was evolved by the engineering board and which we agreed to allow them to study, without commitment, has no power. The dam would be built above Castlegar. It would raise the level of the water and merely let it out on demand. It is not possible to carry the level of 1446 down power site at Murphy Creek without completely washing out Castlegar; of course that has not been contemplated or suggested by anyone. There would be below the High Arrow the Murphy Creek project, which has a crest elevation of 1402, which gives about 65 feet of head.

The CHAIRMAN: Time is passing and another committee wishes to use this room in approximately five minutes. I presume it is the wish of the committee that General McNaughton will return. I understand his time next week is taken up with meetings at Montreal and elsewhere. In view of this, the committee will have to meet at the call of the chair.

Mr. MONTGOMERY: How much longer will it take General McNaughton to complete his presentation?

Mr. LENNARD: It all depends on how many questions are asked.

General McNAUGHTON: I was going to answer that question. Up until now I have been trying to give a factual background upon which you could ask your questions.

Mr. McCLEAVE: How long will it take General McNaughton to present his factual background?

Mr. MONTGOMERY: I wonder if we could meet this afternoon.

Mr. HERRIDGE: I would support that suggestion in order that General McNaughton's evidence can be completed as soon as possible; he is a very busy man and has many other things to do.

The CHAIRMAN: Is it the wish of the committee to meet this afternoon at 3.30?

Agreed.

Mr. RICHARD (*Ottawa East*): I would like to say, Mr. Chairman, that all of us are very interested in this committee. We have found General McNaughton extremely interesting and we are willing to come back this afternoon.

General McNAUGHTON: Thank you very much. I am very interested in speaking about this subject. I think this committee is particularly concerned with the projects in Canada and if it meets with the pleasure of yourself, Mr. Chairman, and your committee, I would like to cover the three alternative developments giving you some of the specific detail, and reduce the costs to benefit-cost ratios so you can see the relationship one bears to the other. In that way we would be looking at it from a Canadian point of view.

The CHAIRMAN: Is that agreeable to everyone?

Agreed.

—The committee adjourned.

## AFTERNOON SESSION

THURSDAY, April 23, 1959.
3.30 p.m.

The CHAIRMAN: Gentlemen, we now have a quorum. I shall ask General McNaughton to proceed from where he left off this morning.

General McNAUGHTON: Mr. Chairman, if I may, I shall go over alongside the map in the corner. It was suggested by some of the members that it would be helpful if, before proceeding to deal with the three alternative routes by which the water resources of the Columbia and the Kootenay in Canada might be used, that I give briefly an idea of the distances which are involved.

This is the international boundary. This shown in green on this chart is the Kootenay river flowing in from the high mountains on the boundary between British Columbia and Alberta, coming into the Rocky mountain trench and then following down and crossing the boundary here in a great loop through part of Montana and through Idaho, and coming back into Kootenay lake. This is flow from Duncan lake, coming from the north.

The distance from the east crossing to the west crossing of the Kootenay is about 60 miles. From the point of view of topography the river falls in the loop about 550 feet.

Kootenay lake is about 75 miles long. The distance from Murphy creek which is the site which is below Trail where a dam is contemplated to Mica which is at Big Bend is around 200 miles.

The Arrow lakes are, from Castlegar here through to the head of the lake here, roughly, 95 miles long.

That gives a rough idea of the magnitude of the distances which are involved in all this.

Underneath on this other chart if you care to look at it are shown the various rivers and places with water levels and various storage dams which are contemplated. Also we have shown where from Revelstoke Canyon reservoir a line running to the Fraser river for that diversion when the time should come to make it.

When I was speaking to you this morning I was dealing with the projects in the Columbia basin as a whole, that is, not only the projects in Canada but those in the United States as well. I pointed out that the expenditures on these additional projects which are shown in this report for the United States run to about double what the expenditures are for Canada. I attempted this morning to set up our alternatives in that larger framework.

The alternatives must of course remain in the larger framework because it is a cooperative study which we have in progress. But I have the feeling that we have not made the differences sufficiently sharp.

Accordingly I proposed to your chairman that I should just take a short time to show you the projects which are above the confluence of the Kootenay with the main stem of the Columbia which it joins just below the Arrow lakes on the one hand and the projects above the head of the Arrow lakes on the other hand. Those projects which are in this area, are the three alternatives.

The first alternative is the non-diversion alternative. In the non-diversion proposal, the waters of the Kootenay remain in their present channels, rising on the western slopes of the Rocky mountains and coming down here to be joined by successive tributaries, coming in through this loop down through the United States and back into Kootenay lake, and down to join the Columbia at this point.

The Columbia itself rises in Columbia lake, going through to lake Windermere and then it follows across and right around the big bend, and they join together at the foot of the Arrow lakes and flow down into the United States and into the Franklin D. Roosevelt Reservoir above Grand Coulee Dam.

The flows of the river in the main stem of the Columbia from Columbia lake down to Mica are not sufficiently great as to justify any development at all in this section of the river until you get to Mica creek.

The storage here, on the Kootenay, if we built it, would be at about 2,710 above sea level, or may be a little more. Mica would be at 2,435 feet above sea level, so there is a great waste of potential head, because there is not enough water to make provision to justify its development. So that in itself is a great loss to Canada of course.

We have a project at Mica which would give us a little over 11 million acres of useful storage feet. The next site is Downie and then Revelstoke canyon.

Then we have no more developments on the main stem until we come to Murphy creek upstream of the boundary. This is the site where we would have had a dam at Bull river, assuming the principal developments would be on the Kootenay; and here is the Libby dam of which you have heard a lot, and the development below it at Kootenai falls, and development here at Katka.

As I mentioned this morning all these projects on the Kootenay are very very expensive projects. The reason they are expensive is that this river route is occupied principally by the railways, and if you are going to build a dam at all, even if it is only a few feet high, when you flood out a section of the railway it means a lot of expensive relocation.

The Libby dam itself is not a practicable project, and is not even worthy of consideration, unless Canada should donate to the United States the head roughly along this area from the boundary up; that is about 150 feet above the natural level of the river at the boundary. The head from here to the boundary is 190 feet, making a total of about 340 feet that would be developed. Even at 340 feet it would be an expensive marginal development as I will be able to show you in the figures later.

Without the donation of this head, which is a very valuable, by Canada to the United States, that project is impossible.

These other projects are not storage projects. They are at site head plants. This one is marginal. This one is quite uneconomic.

So not only do we by this method lose the flow of the river which originates in Canada, and which, under article two of the treaty of 1909 is under Canadian jurisdiction with the right to divert specifically mentioned in the treaty, but we loose the use of these resources of head which are involved. The first idea that we had was to complete diversion of the flow of the Kootenay from this point above. But a compromise proposal has been put up to us since which is known as sequence eight, and I shall show it to you now.

In the sequence eight proposal a dam is built at a site known as Copper creek, and the flow of the Kootenay river, plus that of Finlay creek is reversed in direction to go down the Columbia.

The effect of that dam there is to take the flow, on the average, year in and year out, season to season, of 3,500 cubic feet per second, and turn it down towards this point. That does two things. It not only enables us to put into this reservoir a very considerable amount of stored water that has been captured from the crest of the flood, but it also enables us to have a power development at Luxor and it brings the Calamity Curve site, which is valuable site, into use; and that 3,500 extra cubic feet per second of flow at Mica becomes even more attractive as I will show you in the tables in a minute.

It also means a very substantial power development at Downie creek and at Revelstoke canyon. Most of the cost of these sites is in the dams themselves. They are adding 3,500 cfs of water, which is very very material advantage to the power output, without adding substantially to the cost. So we get increased benefits.

The same thing would be true if we were to add at site plants down here to take up the head between Revelstoke and the head of the Arrow lakes. When you come to Murphy creek the flow is exactly the same at is was in nature, because the Kootenay has joined the Columbia at this point.

The proposal, as it is worked out in the engineering board, shows that Libby would still be able to flood up to the Bull river site which is just above the Bull river, but there would be a reduced flow with reduced installation.

With the reclamation of flows which come in below this Copper creek reservoir, there would be a considerable available at Libby. Kootenai falls is just marginal. The benefits of it depend on interest rates and other matters which would have to be judged as time goes on. However, Katka is quite out.

Now I would like to show you the Dorr diversion which is the alternative we have proposed. In the Dorr diversion a dam is built at Dorr. It is the name of a little community down close to the boundary. It is about ten miles from there to the boundary, and I think that the natural head in the river below Dorr to the boundary is about 37 feet. We would lose about 37 feet of Canadian head in that stretch.

This dam would be built, flooding up against the Bull river dam site, and the storage in that area would amount to about nearly 900,000 acre feet.

The Bull river would be equipped with pumps to raise the water which is captured in Dorr. That is in this area, below the reservoirs; and it would raise that water over the dam and into the Bull River-Luxor reservoir which is at about 2,760 feet—no, I am sorry, it is 2,710 feet above sea level.

So by pumping some 150 feet or so, we would then have the use of that flow through about 1,700 feet until we got down to the boundary here. The extra flow which would come in from the Dorr diversion is about from 3,500 in the Copper creek plan to 8,000 cfs. That would leave a live stream of about 1,000 cubic feet per second crossing the boundary here, which very soon gets up to a flow of about 5,000 or 7,000 cubic feet per second by the time it gets over here. There is a lot of inflow in this region which would still continue down. The flows diverted would be flows of Canadian origin from the two tributaries, the Elk and the Bull.

Mr. McGEE: That would put the three American projects out of the question?

General McNAUGHTON: It reduces them to the extent that they would not be economical. I do not think I should put it that way, "it reduces them to the extent that they would not be economical", because I think when you see the figures you will agree with me they are uneconomical anyway. I have no doubt whatever that, looking at this matter from an international point of view and disregarding the boundary completely, if people were, as I say, looking at it philosophically as to what was best to do in the general interests of the public, the diversion is what would be done. That is because, as I will show, the costs go down very materially and the cost benefit ratios go up. The uneconomic and very expensive projects here are eliminated, and others which are much more reasonable in cost are substituted.

Mr. McGEE: What is involved here? Is it the building of a bridge, or another pump, or will the level come up above that? There is a picture of that in your report.

General McNAUGHTON: If the level is raised to 2,710, the Canal Flats region is about 60 feet under water. There is an abandoned canal through there now. In the state of nature, the water level of the Kootenay river at this point is about six or seven feet above the level at the Columbia lake; you only have to put a furrow through there and the river will flow that way.

There is a picture in the report that will show it. There is no trouble whatever in making that diversion there if they get it up to anything above 2,660, which I think is the lowest at which we could make the diversion. That water would be controlled, at Luxor, and so on down. The amount of pumping at work is shown. I think about 50 megawatt years of energy is required to lift that water over the dam here in order to give it an opportunity to flow through many times the head downstream, generating power all the way.

Mr. McGEE: What distances are involved here from the Columbia lake to the—

General McNAUGHTON: It is about a mile and a half across and, as I say, the Columbia lake is lower than the Kootenay. As a matter of actual fact, that is the way the river went years ago. It was only when some sort of an ice jam occurred here a long time ago, and these flats were filled in, that the river was turned in this way.

With this extra 8,000 cubic feet per second going through the flats, the power, of course, goes up enormously.

In this comparison, as I say, I am taking the water in these three projects, the various projects that lie between that point and the head of the Arrow lakes. I have omitted, because it can be considered separately, the question we were discussing this morning as to whether or not we should have the

high Arrow included in these projects here. That does not affect the comparison of the three principal projects.

I would like to distribute these photostatic copies of tables that were worked out over the weekend, when we felt that possibly you might like a more detailed analysis of these Canadian projects than we have been able to give in the setting up of the main projects. I will ask Mr. Chance if he will be good enough to distribute them.

The CHAIRMAN: Is it the wish of the committee that they also be included in the minutes?

Some HON. MEMBERS: Agreed.

(See Appendix.)

General MCNAUGHTON: I think you will find these very interesting, Mr. Chairman.

Mr. NUGENT: Could I have a copy of the report?

The CHAIRMAN: General McNaughton provided 15 copies this morning, and he has indicated that he will supply more later on.

General MCNAUGHTON: We are trying to get out a compressed report giving the essentials of this one but without the extra detailed information, a report just boiled down to the essentials. That is now in the course of preparation.

On table 1, which has been distributed, you will see a list down the left-hand side of all the projects that we contemplate, whether they are allied to one or other of the sequences. If they appear in any sequence, they appear in the left-hand column. That same listing follows in the other two tables we have prepared for you.

The first set of columns between the heavy black lines is the installed capacity which the engineers have indicated would be appropriate for the three sequences; first of all in sequence VII, then in sequence VIII and then in sequence IX. Sequence VII, you will recall, is the leaving of the Kootenay in its own channel. Sequence VIII is the diversion at Copper creek—which is about here on the map—and sequence IX is this Dorr diversion with Bull river, Luxor, and so on.

In sequence VII we have divided the projects into projects in the United States, projects which are trans-boundary—that is, in this particular case, projects with a dam in the United States which causes flooding into Canada—and the projects in the United States itself. The writing across the bottom represents in megawatts the total of the installed capacities. For example, the total of all projects here in Canada is 3,248,000 kilowatts.

In the United States, as a trans-boundary project, there are 344,000 kilowatts, which would be at Libby. In the United States itself, the figure is 240,000 kilowatts, which would be at Kootenai falls. Now you come to sequence VIII, where you will recollect we included the diversion around to the north. You find that the total of the Canadian projects has gone up to 3,795 megawatts of installed capacity. That is an increase of about 550,000 kilowatts, which is substantially one half the share of Ontario in the development of the St. Lawrence. Libby has fallen to 258,000 kilowatts; and the other projects at Kootenai falls has gone to 180,000.

In sequence IX, the only projects that are active are in Canada, and the total has gone up to 3,952,000 kilowatts, which is 714,000 kilowatts in excess of what it would be with no diversion anywhere. That is a very, very large amount.

We come over to the next column between these lines, and we give the usable storage in million acre feet. That is given in Canada, trans-boundary and in the United States. It is 17 million acre feet in Canada and 4 million acre feet in the United States, which is the Libby project flooding 150 feet of

head into Canada, a distance of about 42 miles. This makes a total storage of about 21 million acre feet. The total storage in sequence VIII is just a little less; it is 20.4 million acre feet. In sequence IX the storage has fallen off by a little over 1 million, to 19 million acre feet. The reason for that is that Libby is no longer a practical proposition; that 4 million acre feet could not be developed, and the addition which we would make to our storage by the Bull river, Luxor reservoir does not quite compensate for that loss.

We have suggested to the United States that it be worth consideration if they would build a low Libby project, and in that event we have suggested that our people might look favourably on the provision of this idle head of 37 feet, so that the dam could have 37 feet on top just to the boundary. If that were done—and our calculations show it is a reasonable proposition, with the flows that go down—there would be an additional 1.7 million acre feet of storage in that region and which would be very useful, not only to our plants in this region, but also valuable to the United States plants down here. Our head here would only be about 400 feet, through which we would be using it, and down here they would have about 1,255 feet. So that we do not regard the possibility of a dam in that region, under the sequence IX arrangements, as entirely excluded yet.

The next column is given for sequences VII, VIII and IX, representing the capital costs as estimated by the engineers. I would like, first of all, to mention that the sequence VII capital costs in the two countries run to $1,102,000,000. In the sequence VIII the costs have gone up a little, to $1,128,000,000, whereas when you go to sequence IX—that is, the Canadian proposal—the costs have fallen off to $808 million. In other words, we are saving roughly $300 million on capital account by carrying out the proposal which I have indicated on this particular chart.

The details of the costs of each individual project are taken out of the Columbia engineering board's report and are reproduced here, so if you want to look at these tables at your leisure, you can see just how these costs are made up.

Going to table No. 2, we have tried to set this up initially with the comparison of the outputs and the annual costs readily available to you. In the left-hand column you have all the projects in the three sequences listed in the same sequence as they were on table 1. The first pair of heavy lines here relate to sequence VII, with the individual figures taken out of table 6 of appendix VI*, which has been issued to you. For convenience, in the first column we have listed again the installed capacity as recommended by the engineers, which is given on the first sheet as well.

The next column is the usable storage at the various sites which are used in that sequence. Then we give the output that would be obtained from the dams, without any storage release at all.

That is to give you an idea of the measure of the power which would be available out of the flows of the river.

The next column gives the effect of the storage when it is used in accordance with the twenty year cycle which is particularly studied in these reports. I must mention, in the principle of allocation of the benefits of storage, the flows from storage are multiplied by the heads through which those flows go at each individual plant in the sequence downstream to the sea. In a system study the totals of those energy increments for each plant downstream are added to them and credited to the storage from which they

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*Appendix VI to Report to the IJC United States and Canada, Water Resources of the Columbia River Basin: Economic Studies Prepared by the International Columbia River Engineering Board, 1959.

are created. That is an arrangement which is appropriate under a system study, but it does not bring into notice the great problem which we have in the commission of arriving at a method of dividing up those benefits. I will come back to that later.

In the second set of columns the identical figures are reproduced and the same thing is true for sequence IX.

As far as the total energy generated in sequence VII is concerned, I would like to say it is 3,372.9 megawatt years. In sequence VIII it is 3,529 megawatt years, and in sequence IX it has fallen off to 3,400 megawatt years.

Coming over further in the table, we show under each sequence in three columns first the annual cost, then we reduce that cost in the second column to the cost per kilowatt year basis, then for convenience we follow that by mills per kilowatt hour of energy.

In sequence VII the annual costs run to $49,918,000; in sequence VIII, $51,591,000; and the whole business can be done in sequence IX for $38,399,000.

I will go straight to the mills per kilowatt hours which that represents. In sequence VII it is 1.69 mills. In the second case it is 1.67, which means a slight decrease. When you come to sequence IX it is a very sharp decrease because the cost falls to 1.29.

Mr. HERRIDGE: How does that cost compare, for instance, to Bonneville at the present time in sequence IX?

General MCNAUGHTON: The Bonneville market cost for firm power, which power, is what we are dealing with here and not energy, is $17.50 a kilowatt year, which is 2 mills. If you look at the Bonneville statement you will find that the costs are somewhere around 2¼ mills. This really means that under the sequence IX arrangement, due to the fact that we are dealing with a country which is virgin and which has not been partially developed before, a general project lay-out can be put in to the best advantage—which sequence IX is—the power development which you can still get with hydroelectric development under costs which are very cheap.

I would like to sound one note of warning in the interpretation of these mill costs. Remember in these studies we are dealing with a basin development as a whole and in order to do that we had to adopt a weighted mean rate of interest of 3 per cent in this case.

We had to ignore the fact that there is some difference in exchange between Canada and the United States, but not very much or very important in effect because we assume that all projects in Canada have been estimated on a Canadian currency basis and that the same is true in the United States. If they are built in that way the capital costs estimates are substantially correct. When you come to the annual charges, the actual amount to be incurred in the United States for their own projects would be somewhat less than we have indicated here because we are charging everything up at 3 per cent as a base from which to do our further calculations, whereas they will actually get their money at about 2.5 per cent.

It will make some reduction, but not a reduction proportionate to the decrease in interest because interest is only one of a number of charges. It does actually represent something in the order of half the other charges, which are estimated in terms of actual amounts, required for the operation of the dam, replacements, machinery and the like.

I will not worry you by going through the details of these costs which have all been set out here in this Table 3, but I would like to go straight to this question of benefit cost ratio. In this last column, and in the last column of each of these sequences, we put in the benefit cost ratio, which is the ratio of the annual power benefit given in the third column to the annual costs.

In the case of sequence VII it is $125 million compared to $49 million, giving a benefit cost ratio of 2.52. That is for these projects we are speaking of alone.

In sequence VIII, with the partial diversion, the benefit cost ratio goes up to 2.59. In the case of sequence IX it goes up very, very materially to 3.40, which is very important. That, of course, will have to be modified by these other factors of which I have spoken when we come to do the calculation. We know our rate of interest and when we know exactly which projects will be built there will be some adjustment to those figures.

Here we have bare economics and, in these economics which I have been mentioning of these diversions, they are looked at from the point of view of the basin as a whole.

Just to assure you I am not alone in having put these figures forward, although I have endeavoured to bring them out in sharper relief, they are also given in tabular form in Appendix VI of the Columbia board's report, table No. 16. I will take a few examples out of that to indicate it to you. For example, the Libby dam in sequence VII has an annual cost of $13,739,000. The average assigned annual power benefit—the same figure I have been using—is $11,629,000. In other words, according to the engineering board's report, and on the basis of that report, Libby dam would be in the red to the tune of roughly $2 million a year. In other words, it is not an economic project. It would be costing more than it gives to pay for it.

In the system which has been practised by the army engineers in the United States, when they have projects which they are anxious to build, and which are not satisfied by the power benefit alone, they bring in the benefits from flood control. Libby dam if built would have a storage of 5,010,000 acre-feet of storage. In annual flood control benefit, when measured at the Dalles in the basic objective of reducing the flow at the Dalles from 1¼ million cubic feet per second to 800,000 cubic feet per second, Libby, applied on that objective would rate a flood control value of just under $5 million. So the $5 million of flood control taken off from the $13 million annual cost leaves the project still with its $11.6 million of power control benefit and on that basis it would be classed as economic and justified.

I do not believe that the comparison we have been making of these flood control benefits comes into it because each one of these sequences, VII, VIII and IX gives complete flood protection from all the flood flows which originate in the basin. Whether or not they are credited in this very arbitrary system with the flood control, they in fact do remove the flood menace from the whole of the basin downstream from water originating in the basin. That is why we say flood control is cared for. You do not need to do these arbitrary additions or subtractions because that consideration has been satisfied in any event.

I would like to take a look at Mica, for instance, in each of the three sequences. The annual cost of Mica in sequence VII is just over $13 million a year. It rises to $14 million in sequence VIII and a little over $14.7 million in sequence IX. The benefits in sequence VII are $49 million a year, rising to $50 million in sequence VIII and to $54 million in sequence IX. You can see the very, very substantial beneficial effect on the values of the individual project which comes from diverting the flows of about 8,000 cubic feet per second into the main stream of the Columbia river itself.

Similar increments in value take place for Downie creek and Revelstoke canyon and would occur also if it were decided to build another dam taking up the head between Revelstoke and Arrow lake. It has no effect whatever at Murphy creek because at Murphy creek, as pointed out, the flow is the same

whichever sequence you might bring into play. You are not adding any water to the system as a whole, you are just using it in a more effective way by bringing it around that way.

I hope by means of these tables, which bring together the identical figures that are in this report, that I have brought out more clearly the benefits of our proposed diversions.

The CHAIRMAN: Thank you, General McNaughton. Are there any questions?

Mr. HERRIDGE: Has there been any particular percentage or figure used in regard to a division of these benefits in considering the downstream benefits?

General MCNAUGHTON: We have looked at many proportions at various times. Gentlemen, my associates in these studies have come to the conclusion that we should have the simplest arrangement as possible. There are two parties to this deal. Roughly we have the same heads on the average through which to use our storage downstream; and so there being two parties to a deal, equity calls for a fifty-fifty break. When people say to me: why do you argue for fifty-fifty, I have to answer: why not. There are no theoretical bases short of the most elaborate calculations which would not hold from one year to another to fix any other percentage. Fifty-fifty seems to be a fair basis of consideration. Now I cannot say that has been arrived at in the discussions to date. I cannot say that it is acceptable to the proprietor of the resources, which is the province of British Columbia. All of these views are in the process of adjustment at the present time. I can say that at each of the meetings which I have attended with the Americans, we have had official representatives of the British Columbia government sitting in with us. They have been given an opportunity to familiarize themselves with the points of view being expressed by our American colleagues. There is this process of adjustment of views going on. We hope it will not be long before we come up with a joint proposal which must be equitable; if not, you could not expect the commission to recommend it.

There is another matter which impels action. We are seeing signs of a definite shortage of power for services in the Vancouver area. We also have evidence of shortages of power in the Pacific northwest states. The effects of the situation were hidden by the recent recession. But the recession is improving and the power loads are picking up. In both cases they are pretty well back to the long-term forecast. There is every indication there are imminent power shortages in both sections of the basin. People will have to make up their minds shortly.

Mr. MCCLEAVE: Is such an agreement possible in a short time?

General MCNAUGHTON: I can only say that we are in the process of discussions and we are very close to reaching an agreement. We have a mandate from both governments to reach an agreement. Progress is being made as we develop one another's point of view. It is not going to be done overnight, but I think these problems, like others, will yield to persistent effort by keeping in mind the other fellow's point of view and his rights.

Mr. MCGEE: How much progress toward agreement has been made in the last year?

General MCNAUGHTON: All the progress which has been made has been made since January when we received the letters from the two governments accepting the fact that there were downstream benefits which needed to be divided and asking the commission to give a specification of these benefits both for flood control and power particularly, and to propose methods of allocation. On the basis of that, which is a consideration to both sections of the commission, I think we can justify the claim that substantial progress has been made and is being made. The commission is meeting just as frequently as possible to obtain the information which it has been requested to gather. We meet in Montreal on

the thirteen of this month and we will continue on to May 1 and longer if we find it useful to do so. That meeting will be followed by others in quick succession.

Mr. HERRIDGE: There is a provision in this year's estimates of the National Film Board for research and writing of the script for the production of a documentary film on the Columbia river basin in Canada. It will prove very useful in informing Canadians of this tremendous coming development. Has the National Film board been in touch with the International Joint Commission with a view to making certain these particular dam sites are included in such a film? These films will be shown in various parts of the United States as well as Canada.

General MCNAUGHTON: The film board has kept themselves very closely in touch with what we are trying to do in the Canadian section of the commission. I think they have done an extraordinarily useful piece of work in connection with the films on the Columbia, which they have already put out. They try to be entirely factual. They took pictures of the United States Senate while considering these matters and have tried to put forward, for the information of the Canadian public, the point of view which is actually being expressed in the United States section. With the consent of the American chairman and myself, they followed us around wherever they wished on our trip of the Columbia basin last summer when we took with us the engineers, the commissioners and the advisers concerned to each of the dam sites. We gave them an opportunity to hear from the project engineers at the site, a full description of what was proposed at that particular place. They also listened in on some of our conversations without telling us that they were doing so, and I think with somewhat spectacular results. It was not that we objected to anyone hearing what we had to say.

Mr. Chairman, I would like to correct a mistake I made earlier. I am advised this was all done by the Canadian broadcasting corporation and not by the film board. I wa snot aware of the film board project, but I can assure them we will do everything we can to help them with facts, figures and pictures as well, if they want them.

Mr. MCGEE: Have we reached the stage in this project where a working model similar to that which was developed in connection with the St. Lawrence seaway would be useful or desirable? You are familiar with the model I am referring to, showing the actual flow of water, catwalks and so on?

General MCNAUGHTON: Of course, the models that were made for the St. Lawrence seaway, Niagara and other great models such as the one for Lachine, are for the study of the particular hydrological problem, which is at issue. Now, in this case you can hardly conceive of a model being set up for all the dams in a row. The models which might be required would relate to the individual projects. You would not obtain very much more information in regard to hydro electric developments from a model than you would by calculations; in fact, possibly not as much.

The St. Lawrence is quite different. In that connection we had to have these models because we had to take a great river and check it for variable characteristics winter and summer, and check it in regard to high flows and low flows. The St. Lawrence is a river whose banks are highly developed for industrial, residential and other purposes. We had the problem of moving that river from one channel to another and bringing the whole thing into line, including bringing the levels of lake Ontario under control. There the models were of some significance. We used the models as one of four means of arriving at our conclusions. It does not apply here in the same way.

Really there are no hydrological problems of that character in this basin. It would be nice to have a model as a spectacle to show the water flow and so on, but I do not think it would justify the expense. That has been our feeling. We felt we show the effect by means of block diagrams, tables of cost and so on. The cost and economics are more at stake in this than the engineering. Through engineering we can vary the heights of all those dams, and are doing so from one report to the next as additional foundation information becomes available. It may be that Downie creek will go up and Mica will be lowered. In regard to a particular route, it does not affect the over-all cost very much. These projects are being revised with each engineering report. That is where the studies have to be made and not on the actual flow itself. It does not matter, within a foot or two, what the levels are in the straight power developments.

Mr. LENNARD: If we have finished discussing this subject, I would like to move a hearty vote of thanks to General McNaughton for the splendid job he has done and for the painstaking way in which he has explained this whole system to us.

Mr. HERRIDGE: Everyone would concur in that. We all recognize the great work that General McNaughton is doing.

The CHAIRMAN: I can see from the applause that it has been seconded.

Mr. RICHARD (*Ottawa East*): General McNaughton, I hope we again have the opportunity to hear you; it has been a great privilege.

The CHAIRMAN: He has done a great job for us as Canadians.

Items 96 and 97 agreed to.

The CHAIRMAN: I have one or two announcements I wish to make. You will recall when Dr. Ault was before us there was a question asked regarding the trainees who came to Canada. Dr. Ault has provided us with the information. It is a summary of the number of trainees accepted in Canada and the status of the awards provided for them during the fiscal year 1958-59. You will notice that the period of training is expressed under each heading in terms of man months. It is all set out in table form.

Mr. MCCLEAVE: I suggest we include it in the record.

The CHAIRMAN: Is that agreeable.

Agreed.

**Summary of the number of trainees accepted in Canada 1958-59**

| Number Provided for | Classification | Total Man Months | | Monthly Stipend Rate | Total |
|---|---|---|---|---|---|
| 114 | Under graduates | 92,385 | @ | 140.00 | $113,450.00 |
| 75 | Scholars | 28,960 | @ | 150.00 | $ 97,375.00 |
| 133 | Resident Fellows | 105,482 | @ | 200.00 | $158,600.00 |
| 29 | Travel Fellows | 3,705 | @ | 300.00 | $ 38,325.00 |

It should possibly be noted that out of this stipend each trainee has to provide for all his living and other personal expenses.

*External Affairs*

The CHAIRMAN: You will recall that at an early meeting we had item 76, the general item, stand with the understanding the minister, the late Dr. Sidney Smith, would come back and pick up any questions of policy which remained unanswered. There are no questions of policy outstanding, so I ask that item 76 now be carried.

Item agreed to.

The CHAIRMAN: I have a suggestion. At the last session, and all through this session, I asked that each member give me suggestions regarding our Report to the House. I do not suppose you have read all the printed proceedings, but I hope you will review them and if possible read them over and make suggestions to me of those references that should be included in our Report.

Possibly next week—I hope next week—we will call the sub-committee together to discuss what we should include in our report. I think that is all I have to say except to thank the members for the good order that they have maintained and the interest they have shown in the work of this committee, and also for the cooperation of all parties.

It has certainly been a pleasure to be the Chairman of this committee, and I thank you very much. The committee is adjourned to the call of the chair.

"APPENDIX A"

TABLE 1

COMPARISON OF INSTALLED CAPACITIES, USABLE STORAGE AND CAPITAL COSTS—SEQ. VII, VIII, IX.

AGL. Mc—26 Mar. 1959

Data Taken From ICREB Report of 1 March 1959 and App VI.

ERP. 14 Apr. 1959

| Project or Development | Installed Capacity M.W. | | | | | | | Usable Storage M.A.F. | | | | | | | Capital Costs—$ Millions | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Seq. VII | | | Seq. VIII | | | Seq. IX | Seq. VII | | | Seq. VIII | | | Seq. IX | Seq. VII | | | Seq. VIII | | | Seq. IX |
| | Canada | Trans-Boy | U.S.A. | Canada | Trans-Boy | U.S.A. | Canada | Canada | Trans-Boy | U.S.A. | Canada | Trans-Boy | U.S.A. | Canada | Canada | Trans-Boy | U.S.A. | Canada | Trans-Boy | U.S.A. | Canada |
| Bull River | 134 | | | | | | | 2.794 | | | | | | | 83.6 | | | | | | |
| Dorr: Pumping | | | | | | | −56 | | | | | | | 0.881 | | | | | | | 34.1 |
| Power | | | | | | | 12 | | | | | | | | | | | | | | 1.8 |
| Net | | | | | | | −44 | | | | | | | | | | | | | | 35.9 |
| Libby | | *344* | | | 258 | | | | *4.045* | | | 4.045 | | | | *324.8* | | | 312.8 | | |
| Kootenai Falls | | | 240 | | | 180 | | | | | | | | | | | 98.0 | | | 92.5 | |
| Duncan Lake | | | | | | | | 1.402 | | | 1.402 | | | 1.402 | 24.8 | | | 24.8 | | | 24.8 |
| West Kootenay: Existing | 271 | | | 271 | | | 271 | 0.673 | | | 0.673 | | | 0.673 | | | | | | | |
| Additional | 263 | | | 263 | | | 25 | 0.355 | | | 0.355 | | | 0.355 | 40.8 | | | 40.8 | | | 2.4 |
| Total | 534* | | | 534* | | | 296** | 1.028 | | | 1.028 | | | 1.028 | | | | | | | |
| Bull River—Luxor | | | | | | | 70 | | | | | | | 4.032 | | | | | | | 110.0 |
| Copper Creek—Luxor | | | | 45 | | | | | | | 2.249 | | | | | | | 54.4 | | | |
| Calamity | | | | 120 | | | 160 | | | | | | | | | | | 33.0 | | | 38.2 |
| Mica | 1,160 | | | 1,392 | | | 1,624 | 11.685 | | | 11.685 | | | 11.685 | 302.4 | | | 314.8 | | | 327.2 |
| Downie | 840 | | | 1,008 | | | 1,092 | | | | | | | | 123.5 | | | 138.9 | | | 146.6 |
| Revelstoke Canyon | 580 | | | 696 | | | 754 | | | | | | | | 104.4 | | | 116.9 | | | 123.2 |
| Total | 3,248 | 344 | 240 | 3,795 | 258 | 180 | 3,952 | 16.909 | 4.045 | | 16.364 | 4.045 | | 19.028 | 679.5 | 324.8 | 98.0 | 723.6 | 312.8 | 92.5 | 808.3 |
| Sequence Total | | 3,832 | | | 4,233 | | 3,952 | | 20.954 | | | 20.409 | | 19.028 | | 1102.3 | | | 1128.9 | | |

Notes: Projects included in ICREB requiring Flood Control Benefits for justification shown in Italic.

Any one of the three sequences fully satisfies all U.S. requirements of Flood Control. No allowance for this benefit was included in this table. Para 268(i) states there are no major problems of Flood Control in the Columbia Basin in Canada.

* I.C.R.E.B. report gives 450 MW

** I.C.R.E.B. report gives 290 MW

"APPENDIX A"
AGL Mc—26 March 1959
ERP.—17 April 1959

TABLE 2

COMPARISON OF OUTPUT WITH NO STORAGE RELEASE, PRORATED STORAGE EFFECT AND TOTAL ASSIGNED ENERGY OUTPUT FOR ALTERNATIVE PROJECTS IN SEQUENCES VII, VIII AND IX.

| — | Seq. VII—Table 6, App. VI | | | | | Seq. VIII—Table 7, App. VI | | | | | Seq. IX, Table 8, App. VI | | | | | Seq. VII | | | Seq. VIII | | | Seq. IX | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Installed Capacity MW | Usable Storage MAF | Output W/No Storage Release MW | Prorated Storage Effect MW | Total Assigned Output MW | Installed Capacity MW | Usable Storage MAF | Output W/No Storage Release MW | Prorated Storage Effect MW | Total Assigned Energy MW | Installed Capacity MW | Usable Storage MW | Output W/No Storage Release MW | Prorated Storage Effect MW | Total Assigned Energy MW | Annual Cost $1.000 | $ per KW Ye | Mils/KW Hr | Annual Cost $1.000 | $ per KW Yr | Mils/KW Hr | Annual Cost $1.000 | $ per KW Yr | Mils/KW Hr |
| Bull River | 134 | 2.794 | 59.0 | 307.9 | 366.9 | | | | | | | | | | | 3.743 | 10.20 | 1.17 | | | | | | |
| Dorr: Pumping | | | | | | | | | | | −56 | 0.881 | −24.0 | 136.9 | 112.9 | | | | | | | .1856 | 16.40 | 1.88 |
| Power | | | | | | | | | | | 12 | | 8.1 | | 8.1 | | | | | | | 170 | 21.00 | 2.39 |
| Net | | | | | | | | | | | −44 | | | | 121.0 | | | | | | | | | |
| Libby | 344 | 4.045 | 174.8 | 112.3 | 287.1 | 258 | 4.045 | 118.9 | 316.1 | 435.0 | | | | | | 13.739 | 47.90 | 5.47 | 13.172 | 30.30 | 3.46 | | | |
| Kootenai Falls | 240 | | 101.1 | | 101.1 | 180 | | 74.0 | | 74.0 | | | | | | 4.451 | 44.10 | 5.03 | 4.145 | 55.90 | 6.38 | | | |
| Duncan Lake | | 1.402 | | | | | 1.402 | | | | | 1.402 | | 151.1 | 151.1 | 1103 | | | 1103 | | | 1103 | | |
| W. Koot: Existing | 271 | 0.673 | | | | 271 | 0.673 | | | | 271 | 0.673 | | | | | | | | | | | | |
| Additional | 263 | 0.355 | | | | 263 | 0.355 | | | | 25 | 0.355 | | | | 2136 | | | 2.136 | | | 182 | | |
| Total | 534 | 1.028 | *347.4 | *251.4 | *598.8 | 534 | 1.028 | *315.8 | *249.8 | *565.6 | 296 | 1.028 | 215.5 | 119.7 | 335.2 | 3.239 | 5.40 | 0.62 | 3239 | 5.72 | 0.65 | 1285 | 3.94 | 0.45 |
| Bull River-Luxor | | | | | | | | | | | 70 | 4.032 | 36.6 | 512.5 | 549.1 | | | | | | | 4.831 | 8.80 | 1.00 |
| Copper Creek-Luxor | | | | | | 45 | 2.249 | 31.9 | 298.3 | 330.2 | | | | | | | | | 2494 | 7.55 | 0.86 | | | |
| Calamity | | | | | | 120 | | 58.2 | | 58.2 | 160 | | 79.2 | | 79.2 | | | | 1654 | 28.40 | 3.24 | 1957 | 24.70 | 2.82 |
| Mica | 1160 | 11.685 | *597.8 | 763.3 | *1361.1 | 1392 | 11.685 | *696.2 | 614.9 | *1311.1 | 1624 | 11.685 | 813.0 | 509.7 | 1322.7 | 13.396 | | | 14.067 | | | 14.739 | 11.10 | 1.27 |
| Downie | 840 | | 384.0 | | 384.0 | 1008 | | 442.0 | | 442.0 | 1092 | | 494.6 | | 494.6 | 6.071 | 15.80 | 1.81 | 6.865 | 15.50 | 1.77 | 7.262 | 14.70 | 1.68 |
| Revelstoke Canyon | 580 | | 273.9 | | 273.9 | 696 | | 312.9 | | 312.9 | 754 | | 347.1 | | 347.1 | 5.279 | 19.30 | 2.20 | 5.955 | 19.00 | 2.17 | 6.299 | 18.10 | 2.06 |
| Totals | 3832 | 20.954 | 1938.0 | 1434.9 | 3372.9 | 4233 | 20.409 | 2049.9 | 1479.1 | 3529.0 | 3952 | 19.028 | 1970.1 | 1429.9 | 3400.0 | 49.918 | 14.80 | 1.69 | 51591 | 14.63 | 1.67 | 38.399 | 11.28 | 1.29 |

Seq. VII..... 3372.9
Seq. IX..... 3400.0

Seq. IX Gain..... 27.1 = .24BKWH

* Adjusted in Accordance with Table 21.

Total Effect Seq. VIII (Copper Cr. Div.).. 3529.0 MWYr
Seq. VII (Non-Diversion).... 3372.9 "

Seq. VIII Gain..... 156.1 "

156.1 = 1000 = 8760..... 1.3.7 BKWHrs.

Seq. IX (Dorr Div.)... 3400.0 MWYr
Seq. VIII (Copper Cr. Div.)....3529.0 "

Seq. IX—Seq. VII Loss.. 129.0 "

129 × 1000 × 8760..... 1.1.3 BKW Hrs.

"APPENDIX A"

AGLHc—26 March 1959
ERP.—20 April 1959

TABLE 3

COMPARISON OF ALTERNATIVE PROJECTS IN SEQ. VII, VIII, E. IX

ALL SEQUENCES PROVIDE COMPLETE FLOOD CONTROL AND THEREFORE BENEFITS ARE OMITTED

| — | Seq. VII $1,000 | | | | Seq. VIII $1,000 | | | | Seq. IX $1,000 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Cost | Annual Cost | Annual Power Benefit | Benefit: Cost | Capital Cost | Annual Cost | Annual Power Benefit | Benefit: Cost | Capital Cost | Annual Cost | Annual Power Benefit | Benefit: Cost |
| Bull River | 83,632 | 3,743 | 11,394 | 3.05 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Dorr: Pumping | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 34,053 | 1,856 | 2,237 | 1.20 |
| Power | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 1,787 | 170 | 300 | 1.76 |
| Net | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 35,840 | 2,027 | 2,537 | 1.25 |
| Libby | 324,800 | 13,739 | 11,629 | 0.85 | 312,800 | 13,172 | 14,736 | 1.12 | ..... | ..... | ..... | ..... |
| Kootenai Falls | 98,000 | 4,451 | 5,459 | 1.23 | 92,500 | 4,145 | 4,038 | 0.98 | ..... | ..... | ..... | ..... |
| Duncan Lake | 24,807 | 1,103 | ..... | ..... | 24,807 | 1,103 | ..... | ..... | 24,807 | 1,103 | ..... | ..... |
| West Koot: Existing | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Additional | 40,756 | 2,136 | ..... | ..... | 40,756 | 2,136 | ..... | ..... | 2,399 | 182 | ..... | ..... |
| Total—West Koot E. Duncan | ..... | 3,239 | 13,830* | 4.28 | ..... | 3,239 | 13,100* | 4.05 | ..... | 1,285 | 10,530* | 8.19 |
| Bull River—Luxor | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 110,023 | 4,831 | 15,620 | 3.24 |
| Copper Creek—Luxor | ..... | ..... | ..... | ..... | 54,390 | 2,494 | 9,391 | 3.76 | ..... | ..... | ..... | ..... |
| Calamity | ..... | ..... | ..... | ..... | 32,972 | 1,654 | 2,825 | 1.71 | 38,223 | 1,957 | 3,774 | 1.93 |
| Mica | 302,442 | 13,396 | 49,269 | 3.68 | 314,805 | 14,067 | 50,384 | 3.58 | 327,167 | 14,739 | 54,308 | 3.68 |
| Downie | 123,463 | 6,071 | 19,943 | 3.28 | 138,914 | 6,865 | 23,373 | 3.40 | 146,640 | 7,262 | 25,921 | 3.56 |
| Revelstoke Canyon | 104,379 | 5,279 | 13,842 | 2.62 | 116,904 | 5,955 | 16,094 | 2.70 | 123,168 | 6,299 | 17,598 | 2.80 |
| TOTALS | 1,102,279 | 49,918 | 125,366 | 2.52 | 1,128,848 | 51,591 | 133,941 | 2.59 | 808,267 | 38,399 | 130,288 | 3.40 |

NOTE: Calculations in this table are derived from the Figures given in the Report of the International Columbia River Engineering Board—1959. This report disregards the International Boundary, uses a uniform interest rate of 3% for all projects with Canadian and U.S. Currencies at Par. The results are therefore comparative only. The information does not permit the allocation between the two countries of the downstream benefits from storage to Power. Accordingly the figures represent Cost-Benefit ratios on *an overall* system basis.

*Annual Power benefits calculated on an average output of 176 MW at present deducted from the assigned Energy Benefit.

In Seq. VIII as compared with Seq. VII there is a power Benefit of $8,575,000 per an Increase of $1,673,000 in annual cost.
" IX " " VIII " Loss of $3,653,000 " Decrease of $13,192,000 "
" IX " " VII " Benefit of $4,922,000 for a Decrease of $11,519,000 "